

Speech: Challenges and opportunities facing the UK rail supply chain

Introduction

Thank you, David Begg

It is a pleasure to speak this morning. And it is a particular pleasure to see our country's great rail supply chain so well represented.

A time of challenge and opportunity

Now, if I was to try and summarise what the government's rail policies mean for the rail supply chain I would say that this is a time of opportunity.

But also a time of challenge.

It is a time of opportunity because of the way the numbers of those using our railways have grown.

In almost 25 years since privatisation, customer numbers have more than doubled.

While rail freight has grown by 75%.

More people are using our railways than in any year since the 1920s.

And we're responding to that record demand with record investment.

Last week we announced the [next round of rail funding](#).

Between 2019 and 2024, we'll spend around £48 billion to improve and maintain the network.

That maintenance is important.

We've increased the focus on renewals, to provide passengers with better reliability and punctuality

And this funding comes on top of record rail funding over the past 5 years as the government delivered the biggest rail modernisation programme for over a century.

But it's not just the money we're delivering.

Last week we announced that there will also be a new funding process for major upgrades and enhancements which will provide more rigour in investment decisions to make sure public spending best meets the needs of passengers and freight.

This is recognition of the vital importance of working closely with the industry and the rail supply chain.

All this investment is an opportunity to restore Britain's place in the world as a leading rail-building nation.

And an opportunity to deliver a railway fit for the future.

Time of challenge

But as well as being a time of opportunity, we must also recognise that this is a time of challenge, too.

And that's because we're attempting work of a complexity and scale unseen in a century.

And as a result, our railway is changing.

We are building new stations and refurbishing old ones.

We're getting Crossrail ready to open.

And we are bringing thousands of new train carriages into service.

And on top of all that, we've begun the groundwork for building HS2.

A year ago, the HS2 Bill for Phase One – the stretch from Birmingham to London – was a concept that had yet to be approved by parliament.

The route for much of the second phase of HS2 – from Crewe to Manchester and Birmingham to Leeds – had yet to be announced.

The procurement for the main engineering works, the rolling stock, and the franchise for operating the railway – all had yet to be triggered.

A year ago, HS2 was still in planning.

A distinct, stand-alone project.

But things have moved on.

Those plans are now being implemented.

On sites up and down the route, the enabling works are underway.

We have awarded the engineering contracts.

We've launched the competition to design, build and maintain HS2's trains.

We've begun the utility diversions, land clearance and environmental surveys.

We have announced our route for sections from Crewe to Manchester and Birmingham to Leeds.

By the end of this year, we'll deposit the bill for the stretch of track beyond Birmingham and on to Crewe.

And I have added the HS2 project to my responsibility for the rail industry.

So we're seeing the start of the integration of HS2 into the existing network.

And that's an important development for the whole industry.

It's time to start thinking of HS2 not as a railway apart.

Or as some kind of better, faster alternative to the classic rail network.

But rather as an expansion and enhancement of the existing network.

The greatest for a hundred years.

And that, naturally, has implications.

HS2 will inject greater competition into this industry.

It will give greater options for how we use the existing railway, providing more space for freight and local stopping trains.

And it will enhance the image of rail in this country.

None of this progress could have been achieved without our rail supply chain – many of whom are here this morning.

And it's because of this supply chain that we have the confidence to press ahead with plans such as HS2.

But you will know, as I do, that we can and must make the rail supply chain stronger still.

In many cases, we're making good progress on improving capability.

Our [Infrastructure skills strategy](#), for example, sets out a plan to get an extra 30,000 apprentices working in transport to help deliver £60 billion of transport investment up to 2020.

But the best, most effective and most far-reaching changes are always those led by the industry itself.

And that is why I was so glad to see the Rail Supply Group publish its sector strategy last year.

The strategy means that, for the first time, the rail supply chain has a common plan for how it will grow in numbers, productivity and expertise.

A plan for how, by 2025, the industry will:

- attract new talent

- develop new technology
- harness the energy, drive and innovation of the sector's SMEs
- become a global leader in high speed rail
- more than double exports

It's a strategy with some great ideas that are now being implemented.

For example, the rail industry, in partnership with a number of universities, has advanced plans for a network of innovation centres to speed up the introduction of new ideas and technologies into rail.

I know many of you contributed to the strategy, and are now working hard on putting it into action.

I would urge you not to lose the impetus but to continue to work hard.

The government will help wherever we can.

For instance, later this month we will be launching the rail 'first of a kind programme' with Innovate UK. This will help you to break down the barriers to commercialising high-value innovations that are close to market and allow passengers to experience today how your innovations will meet their needs tomorrow.

We will help to ensure that the radical rail innovations emerging from your investments play their vital role by improving their take up.

Earlier this year, we also launched what we're calling sector seals, as part of government's industrial strategy.

I know that RIA has been, and will continue to be, involved in the Rail Sector Deal – along with the Rail Supply Group and the Rail Delivery Group.

And I understand that it's due to be submitted to the government on Monday.

It should shape the future relationship between the government and the rail industry, putting the supply chain squarely at the front of this relationship, and should help the industry digitalise, and get the most value out of its data.

I would very much like to see the rail sector deal succeed, and I hope it will be included in the second wave of published deals in spring 2018.

2018 the Year of Engineering

Yet there's another great opportunity coming in the future.

2018 is going to be a special year for engineering.

It'll be the year that Crossrail opens.

The construction of HS2 will be well underway.

And Thameslink will be complete.

Rail engineering will have a prominence it hasn't had for a long time.

So we want to capitalise on it, and to make 2018 the Year of Engineering.

It'll be a chance to celebrate everything you do for our country.

It'll be a chance to show the world some of the brilliant railway projects delivered in the UK.

And, even more importantly, it will be a chance to inspire a new generation of rail engineers.

So we in the government would like to work with you over the next year to hear your ideas, to join forces, to make 2018 a landmark year for rail engineering.

Conclusion

And so in conclusion, I'd like to thank you for your commitment to our railways.

And thank you for doing so much to keep Britain moving.

Thank you.

[Press release: Bankrupt director banned for supplying illegal workers](#)

Shane Zeb Khattak has been disqualified from acting as a director for 10 years, following an investigation by the Insolvency Service. The Secretary of State for Business Energy and Industrial Strategy accepted a disqualification undertaking from Khattak which commenced on 2 October 2017.

Khattak was acting as a director for Recruitment Base (UK) Limited which provided payroll and recruitment services in the Midlands. He failed to ensure that Recruitment Base complied with obligations around immigration checks, resulting in the employment of 11 illegal workers.

Additionally, from 13 March 2015 until its liquidation he was acting as a director whilst being undischarged bankrupt, without leave of the Court.

On four separate occasions between 30 April 2014 and 8 June 2015, Home Office Immigration Officers investigated businesses in the Midlands, finding illegal workers that were employed by Recruitment Base. The Home Office fined

Recruitment Base a total of £140,000, none of which was paid.

Khattak claimed that a fire at the trading premises had destroyed employee records, resulting in an inability to provide documentation on the workers. However, the claimed date of the fire was before the start of employment of 10 of the men found to be working illegally, and the other breach pre-dated the fire by seven months, during which no documents had been provided.

On 15 September 2014, The Law Society petitioned for Khattak's bankruptcy. A bankruptcy order was made against him on 13 March 2015 in the Birmingham County Court.

Commenting on the disqualification, Cheryl Lambert, Chief Investigator at the Insolvency Service, said:

In this case, Shane Khattak displayed a thoroughly disreputable contempt for his obligation to comply with the law, being willing to provide inaccurate statements to a series of authorities to cover up his activities.

In partnership with the Home Office, who remove people who have no right to work from the market place; the Insolvency Service is seeking to ensure those who exploit the vulnerable will also be dealt with. They will be removed from the bank of legitimate directors.

A Home Office spokesperson said:

Illegal working is not victimless. It undercuts honest employers, cheats legitimate job seekers out of employment opportunities and defrauds the taxpayer.

Businesses should be aware that they have a duty to check that their staff have permission to work in the UK.

We are happy to work with employers who play by the rules but those who do not, should know that they will not go under our radar.

Notes to editors

Shane Zeb Khattak, date of birth September 1987, is of Birmingham.

Recruitment Base (UK) Ltd (CR0 No. 08651566) was incorporated on 15 August 2013. Its registered office and trading address were 1606 – 1608 Coventry

Road, Yardley, Birmingham, West Midlands, B26 1AL.

Recruitment Base (UK) Ltd was wound up in Birmingham County Court (6436 of 2015) on 3 August 2015 and on 5 January 2016 David A Ingram of Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU was appointed liquidator. The liquidation has been completed and the company was dissolved on 30 June 2017. At liquidation, Recruitment Base had no assets and liabilities to creditors totalling £254,980.

A disqualification order has the effect that without specific permission of a court, a person with a disqualification cannot:

- act as a director of a company
- take part, directly or indirectly, in the promotion, formation or management of a company or limited liability partnership
- be a receiver of a company's property

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings.

Persons subject to a disqualification order are bound by a [range of other restrictions](#).

All public enquiries concerning the affairs of the company should be made to: Cheryl Lambert, Head of Outsourced Investigations, Investigations and Enforcement Services, The Insolvency Service, 3rd Floor, Abbey Orchard Street, London SW1P 2HT. Tel: 0207 596 6117. Email: Cheryl.Lambert@insolvency.gsi.gov.uk

You can also follow the Insolvency Service on:

[News story: Defence Secretary welcomes liberation of Raqqa](#)

Following on from the liberation of Mosul, this is a significant development in the fight against Daesh. The fall of the capital of their so-called caliphate is a devastating blow to the terrorist group.

Defence Secretary Sir Michael Fallon said:

With the fall of Raqqa, the head of the snake has been cut off and Daesh has lost its twin capitals in Iraq and now Syria. But the fight against Daesh's reign of terror is not over. We will continue to hit the terrorists hard in both Syria and Iraq while supporting efforts to rebuild – only by defeating Daesh for good will we reduce the threat to us here at home.

The UK has been at the forefront of efforts to alleviate the humanitarian situation since 2012, working tirelessly with partners on the ground to deliver more than 660,000 lifesaving relief packages including blankets, clothing and hygiene kits in Raqqah alone. We will continue to work closely with our Coalition partners to ensure that Raqqah's population will be able to return home safely as quickly as conditions allow.

Three years ago Daesh was almost at the gates of Baghdad, now it is failing but time and patience are still necessary to bring about their ultimate defeat. The UK is committed to maintaining the momentum and to keep up the pressure on the terrorists as the fight moves along the Euphrates River Valley towards the border with Iraq. The RAF and Coalition partners will continue to target Daesh in both Syria and Iraq, supporting local forces on the ground to decisively defeat our common enemy.

But despite military progress in Syria and Iraq, the threat posed by Daesh and their poisonous narrative remains substantial. Their continued ability to inspire attacks means that we must remain resolute in our work to defeat them in their branches worldwide and counter their propaganda.

The liberation of Raqqah, by non-Regime forces, has yet again proved that Assad can never be a partner against terrorism. This means a national political settlement that secures a transition to a government that can protect the rights of all Syrians, unite the country and end the conflict remains the only solution.

Press release: Environment Agency urges caution as high tides expected on south coast

The Environment Agency is urging communities in the south to be aware of the risk of flooding from Storm Brian with high tides and large waves expected on Friday and Saturday.

Environment Agency staff are working around the clock to minimise flood risk and to protect people, property and land. Teams are out clearing trash screens, inspecting coastal defences, and checking river levels.

Richard O'Callaghan, Duty Manager at the Environment Agency, said:

We're expecting to see a combination of high tides and winds leading to an increased tidal surge for Saturday around midday. Due to Storm Brian we are currently assessing key areas at risk on the

current forecasts and planning for our response.

With a particularly high tide due in Yarmouth at midday tomorrow, we will be moving 100 metres of temporary barrier to the Isle of Wight today, ready to deploy in the morning. We will also be putting the boards into the RNLi slipway in Lymington this evening, as well as closing the gates tonight and tomorrow for the high tides.

Anyone concerned should act now and sign up to our free Flood Warning Service so they can be ready to take action if they get these warnings to protect themselves and their property. Please check your flood risk and sign up for our free warnings at gov.uk/flood or by calling 0345 988 1188. You can also get the latest updates on Twitter by following us at @EnvAgencySE.

We will continue to monitor the situation very closely and we urge communities to be aware of their risk and be ready to act.

For media enquiries, contact 0800 141 2743.

[Press release: Environment Agency warns of coastal flooding in Dorset](#)

The Environment Agency is urging people to remain vigilant to potential coastal flooding as high winds and rain is forecast to hit the Dorset coast on Saturday.

Current forecasts show a low pressure storm arriving on Saturday 21 October which, combined with close-to-spring tides, means flood warnings are likely to be issued along the Dorset coast.

Areas likely to be impacted include West Bay, Lyme Regis, Poole Harbour, Chiswell, Preston Beach and Christchurch.

Rachel Jacobs of the Environment Agency said:

We urge people to take care on the Dorset coast this weekend. Strong winds pose a risk of waves overtopping defences and whilst coastal storms can look dramatic, we strongly advise against “wave watching” or taking “storm selfies”.

Please take note of road closures and don't attempt to walk or drive through flood water. Just 30cm of flowing water can move a car and driving through water can also create waves.

Environment Agency teams have been working around the clock to check flood defences and have been taking precautionary measures such as closing tidal gates. Teams will continue to be out this weekend and are ready to respond to flooding.

The Environment Agency continue to monitor the situation and will review plans as and when the forecast changes.

Residents and businesses are encouraged to [sign up to flood warnings](#) on the Environment Agency website. People can also call Floodline on 0345 988 1188. Once registered, if a flood warning is issued, they will receive an automatic message by telephone, SMS text message, email and/or fax.

Find out [how to prepare for flooding and if your home is at risk](#).