

# Correspondence: Reforming the governance of technological innovation

Advice to the Prime Minister on how to make the UK regulatory landscape more favourable to innovation, and the Government's response.

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## Speech: PM's statement on European Council: 22 October 2018

Mr Speaker, before I turn to the European Council, I am sure the whole House will join me in condemning the killing of Jamal Khashoggi in the strongest possible terms.

We must get to the truth of what happened – and my Rt Hon Friend the Foreign Secretary will be making a statement shortly.

Mr Speaker, on the European Council, in addition to Brexit, there were important discussions on security and migration.

First, at last Monday's Foreign Ministers meeting my Rt Hon Friend the Foreign Secretary and his French counterpart secured agreement on a new EU sanctions regime on the use of chemical weapons.

At this Council, I argued along with Dutch Prime Minister Rutte that we should also accelerate work on further measures – including sanctions – to respond to and deter cyber-attacks.

The attempted hacking of the Organisation for the Prohibition of Chemical Weapons in The Hague earlier this year was a stark example of the very real threats we face.

We must impose costs on all those who seek to do us harm, regardless of the means they use. And this Council agreed to take that work forward.

Second, in marking anti-slavery day, I welcomed the continued commitment of all EU leaders in working together to eliminate the barbaric crime of people trafficking.

We reaffirmed our shared commitments to doing more to tackle the challenges of migration upstream.

Following the Council, I met Premier Li of China, President Moon of South Korea and Prime Minister Lee of Singapore at the ASEM Summit.

Since 2010, our trade with Asia has grown by almost 50 per cent – more than with any other continent in the world. I want to develop that even further.

Indeed, Mr Speaker, the ability to develop our own new trade deals is one of the great opportunities of Brexit.

So at this Summit we discussed how the UK can build the most ambitious economic partnerships with all our Asian partners as we leave the European Union. And we also agreed to deepen our co-operation across shared threats to our security.

Turning to Brexit, Mr Speaker, let me begin with the progress we have made on both the Withdrawal Agreement and the political declaration on our future relationship.

As I reported to the House last Monday, the shape of the deal across the vast majority of the Withdrawal Agreement is now clear.

Since Salzburg we have agreed the broad scope of provisions that set out the governance and dispute resolution arrangements for our Withdrawal Agreement.

We have developed a Protocol relating to the UK Sovereign Base Areas in Cyprus.

Following discussions with Spain – and in close co-operation with the Government of Gibraltar – we have also developed a Protocol and a set of underlying memoranda relating to Gibraltar, heralding a new era in our relations.

And we have broad agreement on the structure and scope of the future relationship, with important progress made on issues like security, transport and services.

And this progress in the last three weeks builds on the areas where we have already reached agreement – on citizens' rights, on the financial settlement, on the Implementation Period, and in Northern Ireland, agreement on the preservation of the particular rights for UK and Irish citizens – and on the special arrangements between us such as the Common Travel Area, which has existed since before either the UK or Ireland ever became members of the European Economic Community.

Mr Speaker, taking all of this together, 95 per cent of the Withdrawal Agreement and its protocols are now settled.

There is one real sticking point left, but a considerable one, which is how we guarantee that – in the unlikely event our future relationship is not in place by the end of the Implementation Period – there is no return to a hard border between Northern Ireland and Ireland.

The commitment to avoiding a hard border is one this House emphatically endorsed and enshrined in law in the Withdrawal Act earlier this year.

As I set out last week, the original backstop proposal from the EU was one we

could not accept, as it would mean creating a customs border down the Irish Sea and breaking up the integrity of our United Kingdom.

I do not believe that any UK Prime Minister could ever accept this.

And I certainly will not.

But as I said in my Mansion House speech: We chose to leave; we have a responsibility to help find a solution.

So earlier this year, we put forward a counter-proposal for a temporary UK-EU joint customs territory for the backstop.

And in a substantial shift in their position since Salzburg, the EU are now actively working with us on this proposal.

But a number of issues remain.

The EU argue that they cannot give a legally binding commitment to a UK-wide customs arrangement in the Withdrawal Agreement, so their original proposal must remain a possibility.

Furthermore, Mr Speaker, people are understandably worried that we could get stuck in a backstop that is designed only to be temporary.

And there are also concerns that Northern Ireland could be cut off from accessing its most important market – Great Britain.

During last week's Council, I had good discussions with Presidents Juncker, Tusk and Macron, Chancellor Merkel and Taoiseach Varadkar and others about how to break this impasse.

I believe there are four steps we need to take.

First, we must make the commitment to a temporary UK-EU joint customs territory legally binding, so the Northern Ireland only proposal is no longer needed.

This would not only protect relations North-South, but also, vitally, East-West.

This is critical: the relationship between Northern Ireland and the rest of the UK is an integral strand of the Belfast Good Friday Agreement.

So to protect that Agreement we need to preserve the totality of relationships it sets out.

Nothing we agree with the EU under Article 50 should risk a return to a hard border, or threaten the delicate constitutional and political arrangements underpinned by the Belfast Good Friday Agreement.

The second step, is to create an option to extend the Implementation Period as an alternative to the backstop.

Mr Speaker, I have not committed to extending the Implementation Period.

I do not want to extend the Implementation Period – and I do not believe that extending it will be necessary.

I see any extension – or being in any form of backstop – as undesirable. By far the best outcome for the UK, for Ireland and for the EU – is that our future relationship is agreed and in place by 1st January 2021.

I have every confidence that it will be. And the European Union have said they will show equal commitment to this timetable.

But the impasse we are trying to resolve is about the insurance policy if this does not happen.

So what I am saying is that – if at the end of 2020 our future relationship was not quite ready – the proposal is that the UK would be able to make a sovereign choice between the UK-wide customs backstop or a short extension of the Implementation Period.

And Mr Speaker, there are some limited circumstances in which it could be argued that an extension to the Implementation Period might be preferable, if we were certain it was only for a short time

For example, a short extension to the Implementation Period would mean only one set of changes for businesses – at the point we move to the future relationship.

But in any such scenario we would have to be out of this Implementation Period well before the end of this Parliament.

The third step, Mr Speaker, is to ensure that were we to need either of these insurance policies – whether the backstop or a short extension to the Implementation Period – we could not be kept in either arrangement indefinitely.

We would not accept a position in which the UK, having negotiated in good faith an agreement which prevents a hard border in Northern Ireland, nonetheless finds itself locked into an alternative, inferior arrangement against our will.

The fourth step, Mr Speaker, is for the Government to deliver the commitment we have made to ensure full continued access for Northern Ireland's businesses to the whole of the UK internal market.

Northern Ireland's businesses rely heavily on trade with their largest market – Great Britain – and we must protect this in any scenario.

Mr Speaker, let us remember that all of these steps are about insurance policies that no-one in the UK or the EU wants or expects to use.

So we cannot let this become the barrier to reaching the future partnership we all want to see.

We have to explore every possible option to break the impasse and that is

what I am doing.

When I stood in Downing Street and addressed the nation for the first time, I pledged that the government I lead will not be driven by the interests of the privileged few but of ordinary working families.

And that is what guides me every day in these negotiations.

Before any decision, I ask: how do I best deliver the Brexit that the British people voted for.

How do I best take back control of our money, borders and laws.

How do I best protect jobs and make sure nothing gets in the way of our brilliant entrepreneurs and small businesses.

And how do I best protect the integrity of our precious United Kingdom, and protect the historic progress we have made in Northern Ireland.

And, if doing those things means I get difficult days in Brussels, then so be it. The Brexit talks are not about my interests. They are about the national interest – and the interests of the whole of our United Kingdom.

Serving our national interest will demand that we hold our nerve through these last stages of the negotiations, the hardest part of all.

It will mean not giving in to those who want to stop Brexit with a politicians vote – politicians telling the people they got it wrong the first time and should try again.

And it will mean focusing on the prize that lies before us: the great opportunities that we can open up for our country when we clear these final hurdles in the negotiations.

That is what I am working to achieve. And I commend this Statement to the House.

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## **[News story: NHS pledges action to eliminate ethnicity pay gap](#)**

A new goal to eliminate the ethnicity pay gap in the NHS has been announced, with black, Asian and minority ethnic (BAME) representation in senior leadership to match that across the rest of the NHS by 2028.

Recent [NHS ethnicity pay analysis](#) revealed ethnicity pay gaps. The data shows that senior white NHS managers are paid thousands more than managers from ethnic minority backgrounds, with fewer BAME staff reaching the most senior

levels.

Diversity across the NHS is above the national average, with BAME staff making up 17% of the non-medical NHS workforce. However, only 11% of senior managers are BAME. This drops to 6.4% at a very senior level.

In light of the figures, Health Minister Stephen Barclay set a goal for the NHS to ensure BAME representation at very senior management levels will match that across the rest of the NHS workforce within 10 years.

In addition, a number of the Department of Health and Social Care's (DHSC) arm's length bodies, including NHS England, Public Health England and Health Education England, have signed up to the new Race at Work Charter. This will recognise organisations who sign up to the 5 calls to action from the [McGregor-Smith review: one year on](#) to:

- appoint an executive sponsor for race
- capture data and publicise progress
- commit at board level to zero tolerance of harassment and bullying
- make clear that supporting equality in the workplace is the responsibility of all leaders and managers
- take action that supports ethnic minority career progression

In September the NHS became one of the first public sector organisations to publish breakdowns of pay for all staff by ethnic group, with some individual trusts already publishing their own data and taking action.

DHSC is working with NHS Improvement, NHS England and Health Education England to implement the goals for leadership equality.

Health Minister Stephen Barclay said:

The NHS is a leading light of talent for people from all communities and backgrounds, with diversity levels far in excess of the national average. However, it is unacceptable that this is still not reflected at the very top of the organisation – this kind of inequality has no place in a modern employer and I'm determined to tackle it.

That's why I have set an ambitious goal for the NHS to ensure its leadership is as diverse as the rest of the workforce within the next ten years, supporting a culture that allows diversity to thrive at all levels.

Yvonne Coghill, Director of the Workforce Race Equality Standard for NHS England, said:

Having an NHS workforce that is representative of the population improves patients' care, safety and overall satisfaction with the health service.

The annual Workforce Race Equality Standard is an honest and open analysis which shines a light on where we need to perform better for our staff. Although I'm confident that the NHS in England is moving in the right direction – as shown by the recent increase in senior managers from BAME backgrounds and more NHS trusts having board-level BAME representation – it's equally clear that we have some way still to go.

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## **News story: Master and vessel owner ordered to pay £28,610 for fisheries offences**

Wilhelmina LT60 is a British registered 35 metre fishing vessel operated by a Dutch company and master, which primarily targets plaice and Dover sole in the North Sea. The court heard that enforcement checks of the vessel's statutory documentation showed that it had exceeded the permitted 10% margin of tolerance in its fishing logbook on 41 occasions. Six charges were brought before the court and the defendants asked for the other 35 offences to be taken into consideration.

The vessel owner Wilhelmina Beheer B.V. and skipper Jelle Toering both pleaded guilty to all charges and offences.

Wilhelmina Beheer B.V. was fined £3,000 for each offence (£18,000 in total), £2,000 in costs and a victim surcharge of £170. Jelle Toering was fined £1,295 for each offence, (£7,770 in total), £500 in costs and a victim surcharge of £170.

A spokesperson for the MMO said:

The outcome of this enforcement action shows that non-compliance with the requirement to submit an accurate electronic logbook will be detected and dealt with appropriately, with the offending company facing fines in appropriate circumstances.

In cases like this the MMO will always take proportionate and appropriate action, including prosecution, to ensure offenders do not benefit from illegal activity and to protect fish stocks for the wider fishing industry and future generations.

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## [News story: DASA Hackathons coming soon](#)

The first hackathon will focus on real-time incident response and take place on 26-27 November 2018.

The second will be a defence logistics hackathon, taking place on 29-30 November 2018.

For these events, we are looking to bring together the best from academia, industry and government in the defence and security arena.

Brief details about the hackathons are as follows:

### **Real-Time Incident Response Hackathon**

Improving the way we investigate incidents through the application of Multimedia Analysis and Artificial Intelligence

Participants will be asked to process large amounts of real-world incident multimedia data and rapidly identify key information for on-site experts – people, places, events, in fact anything that may assist an investigations team. We're interested in how entities relate to each other, the event timeline and narrative, and near-term predictions.

Data will mostly take the form of video which will be varied in quality, source, and format. Some will be live-streamed during the event.

This is a unique opportunity for participants to demonstrate their ability to extract useful information and insights from large multimedia data sources which would help teams to respond to incidents more quickly and effectively. We expect participants to exploit cutting-edge Artificial Intelligence techniques, including Machine Vision, to achieve the best results.

At the end of the second day a final showcase will take place.

### **Defence Logistics Hackathon**

Accelerating Logistics Decision Support through exploiting Artificial Intelligence (AI) & Machine Learning (ML) capabilities

The intent of this hackathon is to demonstrate the ability to analyse and share structured and unstructured multi-source data maintaining its classification and permission based access rules at machine speed. Data sets from the C130J Hercules platform will be provided to enable the development and testing of potential sharing solutions. The longer-term aim will be the development of predictive maintenance tools, and provides evidence based recommendations to optimise inventory checks and extend the life of

components.

This event will require programmers and coders at the leading edge of current technology to develop an AI/ML capability that can be accessed, interrogated and translated to provide better informed and timely decision support across national and multinational domains.

This event will provide a great opportunity to demonstrate your ability to solve current Defence Logistic challenges, as well as the opportunity to network with senior decision makers and end users within this area. Following the event you will be invited to submit a fully costed proposal which could lead to securing funding to further develop your product.

Further details about these hackathons and how to register will be provided on the [DASA website](#) next week.