

[Press release: Welsh Secretary responds to decision on the proposed Swansea Tidal Lagoon](#)

Secretary of State for Wales Alun Cairns said:

I realise the disappointment this decision may cause, but ultimately this project did not meet the threshold for taxpayer value.

The reality is the consumer and industry would have been paying disproportionately high prices for electricity when cheaper alternatives are available. I was an early and consistent supporter of the scheme – and took it to Number 10 – but after months of hard work by officials – the conclusion when taking a responsible approach to taxpayers money – is it just did not stack up.

It's important to stress that the issue here is specifically with the tidal lagoon application, not the concept of marine energy itself. The Office of the Secretary of State for Wales and wider Government is committed to renewable energy and we will remain open to different sources of that. However, the priority always has to be that renewable energy represents good value for the Welsh consumer.

Read the Business Secretary's statement to the House in full [here](#)

Read the Value for Money assessment [here](#)

[Statement to Parliament: Proposed Swansea Bay tidal lagoon](#)

Mr Speaker,

I would like to make a statement about the proposed Swansea Bay tidal lagoon.

Britain's energy policy towards electricity generation is based on meeting 3 needs:

- ensuring that we can count on secure and dependable supplies of

electricity at all times

- minimising the cost of supplies to consumers and taxpayers; and
- meeting our greenhouse gas emission reduction obligations

To these 3 requirements we have added, through our Industrial Strategy, a further ambition:

- to secure long-term economic benefit, in terms of jobs and prosperity, from decisions we make

Our policy has been successful. Britain has one of the most secure and reliable electricity supply sectors in the world. Last winter, one of the coldest in recent years, the margin of capacity in our electricity generating system was over 10%; around twice what it was in 2016 to 2017.

We have the strongest record in the G7 in reducing our greenhouse gas emissions. Between 1990 and 2016, the UK reduced its emissions by over 40%.

We have massively increased our deployment of renewable generation. Renewable electricity now makes up almost 30% of our generation, our renewable capacity has quadrupled since 2010, and the auction prices of offshore have fallen from £114 per MWh to £57.50 per MWh within 2 years.

Coal – the most polluting fuel – contributed less to generation in Britain last year than in any since the Industrial Revolution.

This has been achieved while the UK has maintained a position in the overall cost to households of electricity well below the average for major European countries.

But the cost of electricity is nevertheless a significant one for households and for businesses, and the policy related-costs have been growing. We have made a clear commitment to bear down on costs.

It is in this context that the government has assessed whether it should commit consumer or taxpayer funds to the programme of 6 tidal lagoons proposed by Tidal Lagoon Power Limited, the first being the proposed project at Swansea.

We believe in renewable energy and we believe in the benefits of innovation.

The conclusion of this analysis – which has been shared with the Welsh Government – is that the project and proposed programme of lagoons do not meet the requirements for value for money, and so it would not be appropriate to lead the company to believe that public funds can be justified.

The proposal for the Swansea tidal lagoon would cost £1.3 billion to build. If successful to its maximum ambition, it would provide around 0.15% of the electricity we use each year.

The same power generated by the lagoon, over 60 years, for £1.3 billion, would cost around £400 million for offshore wind even at today's prices, which have fallen rapidly, and we expect to be cheaper still in future.

At £1.3 billion, the capital cost per unit of electricity generated each year would be 3 times that of the Hinkley Point C nuclear power station.

If a full programme of 6 lagoons were constructed, the Hendry Review found that the cost would be more than £50 billion, and be 2 and a half times the cost of Hinkley to generate a similar output of electricity.

Enough offshore wind to provide the same generation as a programme of lagoons is estimated to cost at least £31.5 billion less to build.

Taking all the costs together, I have been advised by analysts that, by 2050, the proposal that has been made – which would generate around 30 TWh per year of electricity – could cost up to £20 billion more to produce compared to generating that same electricity through a mix of offshore wind and nuclear, once financing, operating, and system costs have been taken into account.

That could cost the average British household consumer up to an additional £700 between 2031 and 2050, or the equivalent of £15,000 for every household in Wales.

However, in recognition of the potential local economic benefits that might result from a lagoon in Swansea, I asked officials to go back and consider what additional benefit could be ascribed to a number of other factors, including a beneficial impact on the local economy.

For £1.3 billion a Swansea lagoon would support, according to the Hendry Review, only 28 jobs directly associated with operating and maintaining the lagoon in the long term.

Officials were also asked to make an assessment of the potential for valuable innovation and cost reductions for later lagoons that might come from embarking on a programme of construction.

Independent advice concluded that the civil engineering used in Swansea Bay offers limited scope for innovation and capital cost reduction – estimated at 5% – in the construction of subsequent facilities.

I asked for an assessment of the export potential of embarking on a programme of implementing the technology, but the Hendry Review concluded that it would take a “leap of faith to believe that the UK would be the main industrial beneficiary” of any such programme.

In terms of energy reliability, the generation of electricity would be variable rather than constant with a load factor of 19% compared to around 50% for offshore wind and 90% for nuclear.

The inescapable conclusion of an extensive analysis is that however novel and appealing the proposal that has been made is, even with these factors taken into account, the costs that would be incurred by consumers and taxpayers would be so much higher than alternative sources of low carbon power, that it would be irresponsible to enter into a contract with the provider.

Securing our energy needs into the future has to be done seriously and, when

much cheaper alternatives exist, no individual project, and no particular technology, can proceed at any price. That is true for all technologies.

The fact that this proposal has not demonstrated that it could be value for money does not mean that its potential is not recognised.

My department is also in receipt of proposals from other promoters of tidal energy schemes which are said to have lower costs than the Swansea proposal, although these are an earlier stage of development.

Any proposals must be able credibly to demonstrate value for money for consumers and public funds.

I am sure that many people in the House and beyond would wish that we were in a position today to say yes to the Swansea proposals.

I have appreciated the contribution of Charles Hendry, whose constructive report led to this further analysis being made, and to the engagement of the Secretary of State for Wales and members of the Welsh Assembly, including the First Minister and the Leader of the Welsh Conservatives, Andrew RT Davies.

But all of us have a requirement to be responsible stewards of taxpayers' and consumers' money and to act at all times in their interests. It is in discharging that responsibility rigorously that I make this statement today, and I commend it to the House.

[Read the value for money assessment.](#)

Press release: Government announces major changes to rebuild trust after Carillion: 25 June 2018

Today the government will launch a package of new measures designed to promote a healthy and diverse marketplace of companies bidding for government contracts.

In a speech at the Reform think tank in central London, the Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office, David Lidington, will reinforce the government's commitment to the private and voluntary sector delivery of public services. He will say:

We are determined to build a society where people from all parts of our country can access the best public services, and for those services to run efficiently and smoothly for them and their

families. Whether that service is delivered by public, private or voluntary sectors, what matters is that it works for them and their everyday needs, while providing value for money for the taxpayer.

And whether it is operating our call centres; building our railways; or delivering our school meals – the private sector has a vital role to play in delivering public services, something this government will never cease to champion.

He will also say that we need to build a diverse, vibrant marketplace of different suppliers – which take into account wider social values, as well as cost. He will set out new measures to encourage and make it easier for small businesses, mutuals, charities, co-operatives and social enterprises to take on government contracts. He is expected to say:

We want to see public services delivered with values at their heart, where the wider social benefits matter and are recognised. That means government doing more to create and nurture vibrant, healthy, innovative, competitive and diverse marketplaces of suppliers that include and encourage small businesses, mutuals, charities, co-operatives and social enterprises – and therefore harness the finest talent from across the public, private and voluntary sectors.

That is why I can announce today that we will extend the requirements of the Social Value Act in central government to ensure all major procurements explicitly evaluate social value where appropriate, rather than just ‘consider’ it.

By doing so, we will ensure that contracts are awarded on the basis of more than just value for money – but a company’s values too, so that their actions in society are rightly recognised and rewarded.

The new measures will extend the requirements of the 2013 Social Value Act to level the playing field for mutuals, co-operatives and social enterprises bidding to win government contracts.

In a further change, the government will use its purchasing power – some £200 billion is spent per year on private companies providing public services – to challenge its major suppliers to do better on equality and diversity. The minister is expected to say:

If we are to build a fairer society, in which the public has greater trust in businesses not just to make a profit, but also to play a responsible role in society, then we must use the power of the public sector to lead the way.

We will now develop proposals for government’s biggest suppliers to publish data and provide action plans for how they plan to address

key social issues and disparities – such as ethnic minority representation, gender pay, and what they are doing to tackle the scourge of modern slavery.”

And he will make clear that the government cannot do this alone, but needs the industry to step up to the challenge. He is expected to say:

But government cannot do this alone – we need the industry to come with us on this journey. We need them to put right failings where they have occurred; demonstrate their ability to respond to changing circumstances; and show their capacity for innovation and creativity as well.

That is because we believe in an economy that works for everyone – what you might call a ‘responsible capitalism’ – where true fairness means everyone playing by the same rules as each other, and where businesses recognise the duties and obligations they have to wider society.

By doing so, we will go some way to restoring trust between government, industry and the public – and build public services that have the confidence of the people they are there to serve

The Minister will also announce further measures, including requiring key suppliers to develop ‘living wills’ which will allow contingency plans to be rapidly put into place if needed, increased transparency for major contracts by publishing key performance indicators, improved training for government procurers, and enhanced measures to protect suppliers from cyber attacks.

Mark Fox, Chief Executive of the British Services Association, said:

This is a robust and welcome challenge by the government to all those involved in the delivery of public services across the private, voluntary and public sectors.

The challenge to the industry is to improve management practices, increase transparency and develop new arguments for the private sector to deliver public services – a challenge we embrace.

We welcome these proposals and look forward to working with the government to create more diverse, vibrant markets which can make the most of talent from across all parts of the United Kingdom, and deliver quality public services to the benefit of the taxpayer.

Andrew Haldenby, Director of Reform, said:

Public services depend on private sector delivery, from the education of children with special educational needs to the

maintenance of the nuclear deterrent. Reform polling has consistently found that around 60 per cent of voters don't mind who delivers a public service, whether public sector, private or charitable, as long as there is fair access to it.

Rachel Law, Chief Executive of Possabilities, a Manchester-based social enterprise, said:

Winning a public sector contract such as day services or respite care could make a massive difference to a company like ours – enabling us to grow and boost our revenue so we can continue to support many more vulnerable people in the local community.

[Speech: Sir Alan Duncan interview at Foreign Affairs Council – June 2018](#)

The United Kingdom looks forward to continuing its close association with Turkey following the result of the elections yesterday and we will continue to work very closely with them as we have done since the day of the attempted coup.

Today the top topic I think really is Yemen. I've been going to Yemen for 30 years and we need to see a proper political solution there, which restores Government throughout the country and finds a way of putting an end to this dreadful conflict, which is causing so much humanitarian pain.

And the other topic is Venezuela where what we are seeing is economic collapse caused by the Government itself. This is avoidable. And the region and we all need to work very closely together to try and restore economic success and stability in Venezuela, before it causes even more misery and mayhem.

[Sir Alan Duncan's remarks to media](#)

[News story: Charity automatic](#)

disqualification rules: prepare for changes to the law

Updated: Added more information to help you prepare for automatic disqualification changes.

The rules about automatic disqualification for trustees are changing, more reasons are being added and the rules will also apply to some charity senior manager positions (chief executives and finance directors – and those in equivalent roles).

New reasons for disqualification include being in contempt of court, being named under particular anti-terrorism legislation or being on the sex offenders register.

There are several things you can do to get ready for these changes.

Charities

Make sure you read the [guidance for charities](#) to help you understand what is changing. This guide also includes a handy disqualifying reasons table that you can download.

Ask your trustees to check that they won't be affected by these changes. Senior managers (at chief executive or finance director level) should also check if the disqualification law will affect them from 1 August.

We've produced sample declarations for senior managers and trustees to state that they won't be disqualified from acting in these positions after the 1 August. You can download these from the [preparing for the rule changes section](#) of the charity guidance.

Update the checks you make before appointing someone to any of these positions.

If someone is going to be disqualified, tell them that they can apply to the Charity Commission to have their disqualification waived. They can find out more in the guidance for individuals.

Individuals

If you're a trustee or senior manager (at CEO or finance director level) at a charity, check that you're not going to be disqualified by reading the [guidance for individuals](#).

If you will be disqualified, you can apply to us to get your disqualification waived. Otherwise, from 1 August you must resign if you're a senior manager. Charity trustees will also have to stop acting in that role.

If you apply for a waiver before 1 August, you won't be disqualified until you get a decision from us, or the tribunal if you appeal against our decision.

You can read more about [how we make waiver decisions](#).

Further support

Unlock is an independent charity that provides support for people with convictions. They have a [dedicated charity page](#) with further advice and support.