

# Speech: Telegraph's Investing in Britain Forum: Chief Secretary's speech

I am excited for the future economic prospects of our country.

Of course, in my job, I can see there are economic challenges ahead of us.

But when I travel around the country, I see lots of exciting things happening.

From Liverpool and its super-port, which will now be able to take ships through the Panama Canal;

To Bristol with its world leading high-tech spin outs;

To Cardiff where the Welsh dragon is roaring.

All of these are contributing to our economic story.

GDP has grown for five years solid.

Employment is at near record levels.

And manufacturing has had its longest growth streak in 30 years.

I am ambitious about the future.

So I want to ask, how do we make Britain the most energetic, most exciting economy on Earth?

We already have the five foundations of our Industrial Strategy to boost productivity and earning power by investment in skills and infrastructure.

But I want to lay out five more secrets of Britain's future economic success.

Number 1: we must celebrate entrepreneurs and encourage individual endeavour.

I have an instinctive admiration for the individuals who take risks and start something new.

The academics who left Oxford to establish the University of Cambridge in the 13th century. Without those mavericks, we may never have built the first computer, discovered the structure of DNA, or split the atom.

And I admire Anita Roddick who cared about ethical purchase and founded the Body Shop.

And the 12 people who were laid off by BBC Micro, who kept believing in themselves and founded ARM, which now powers around 90% of the world's

microprocessors.

Underlying these achievements is the creative urge of individuals who wanted to change the status quo for the better.

Millennials are often derided as soft and lazy. But I have found this generation one of the most independently-minded, enterprising and anti-establishment of our times. They have the courage to do things differently, develop new technologies and challenge traditional industries.

And I want to make sure Britain has a culture that encourages the thrill-ride of risk and reward, for today's entrepreneurs – and tomorrow's.

Number 2: we need to keep control of the size of government.

It is a basic fact that state-owned companies compete for space and resources with private companies, starving them of oxygen.

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If taxes get too high, the desire to work, or set up a company is reduced.

Of course, we need taxes to fund universal education, healthcare, a welfare safety net, pensions, police and armed forces.

We currently spend £28,500 per household to make this happen and make sure everyone has a fair chance.

But it's a delicate balance. When taxation goes too far, we end up wasting money, and losing trust.

If it gets out of control, working people and successful companies are punished, in order to plump the pillows of the privileged, and resuscitate lumbering zombie companies, long past their best.

That's why we must maintain vigilant and control of the size of government.

Number 3: I believe in the benefits of shaking up markets.

I am resolutely on the side of new entrants and upstarts when others attempt to stop them entering the market.

And I'm aware there are those who want to shut down the new economy.

Those who campaign against Uber.

Those who rail against Airbnb.

The record labels in a tug-of-war with music streaming services.

But I am instinctively pro-disruption and anti-vested interests. It's in my interest, because it gives me more freedom: I can go where I want, when I want, stay where I want – and listen to Whitney Houston whenever I want.

I am proud of what we've done to encourage competition.

We've made it easier for expanding businesses to take on new staff.

We've taken over a million self-employed people out of restrictive and costly health and safety regulations, because they posed no danger to others.

And we've authorised 15 new banks, reducing the market share of the big four in the UK.

But we have to go further. In the utilities sector, despite our independent regulators, the big incumbents still don't face enough competition.

Perhaps we should learn from South Korea, where utilities are viewed as a single market and have to compete against each other. This has resulted in very low cost and high roll-out of all utilities.

The last time UK utilities regulation had a serious shake-up was the 1990s, before the emergence of internet.

Number 4: we have to keep our important professions open to newcomers.

Just as we need to enable new entrants to succeed in the market, we need to enable new entrants in the workplace.

British professions are some of the best in the world, but elements within seem to be constantly lobbying to put barriers up to prevent new people joining them.

We know that professional regulations can be a damaging restraint on trade. They can reduce opportunities, keep women out of the best roles, and limit the overall number of jobs available.

This is nothing new. In the 18th century, James Watt, who would later become the inventor of the revolutionary Watt engine, was denied a job in the city of Glasgow by the local guild of instrument-makers. Why? Because he had done his apprenticeship 25 miles up the road in Greenock.

Today, licensing is the most restrictive form of occupational regulation in the UK, covering around a quarter of groups in the labour market. We now have more regulated occupations than France, Italy or Belgium.

We are working hard to address this.

We've introduced free schools – where teachers don't have to have traditional training and instead bring other experience to those roles.

We've brought nurse associates into hospitals to help the established nursing teams deliver first-rate care.

We've encouraged the growth of Alternative Business Structures, which can provide certain legal services without having to identify as a law firm.

But we must try harder. For my part, I am doing my best to open up politics,

once a closed shop for men only, to more women – and particularly those from the North!

Number 5: we must take on the NIMBYs

Opening up planning and building houses in the right places is the fastest things we could do to boost our country's productivity.

When I moved to London from Leeds as a graduate in the 1990s, I came because of the opportunities on offer here. I could afford to find somewhere to live. But young people these days struggle to get flats near their jobs.

This is deeply economically damaging, as growing companies need to attract new staff to continue developing.

And we know this would help increase wages: doubling the size of a city leads to an increase in its productivity of up to 5%.

But it's not just about economics. Accepting the status quo is bitterly unfair.

There are lots of claims that increasing return to capital, rather than workers, is being driven by industrial and technological factors.

But in fact, according to a study by the American economist, Matthew Rognlie, increasing wealth inequality can be blamed almost entirely on disparities in housing wealth.

That's why Sajid Javid's bold planning reforms are so important.

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We also need to liberate business planning in high-growth, free enterprise areas, and remove the strict controls that get in the way of prosperity.

That's why we're piloting a manufacturing zone in the East Midlands, where all the planning is pre-agreed and manufacturers can get straight to work on building their factories.

And we could do even more. I would like to see more of the development model used to build Canary Wharf.

We could see it bettered up in Leeds or Newcastle – a Canary North!

What could stop us taking advantage of these opportunities? What could stop us unleashing the secrets of our success?

The answer is – those people with a vested interest in more government.

They want a thicket of regulation to grow, as they are the ones who know how to hack through it. Who benefit from the status quo, oppose change, and want to pull up the ladder behind them.

They can be the lobbyists.

They can be the unions.

They can be the bureaucrats.

They can be the NIMBYs.

I call them The Blob. Gloopy. Treacly. Hard to define. Harder to resist.

They say they want to protect people and jobs. They say they only want this tiny change in legislation. And they will ask again and again for government favours – arguing that they are the exception, that their cause deserves coddling and sympathy.

This effect is described in *The Captured Economy*, by Brink Lindsey and Steven Teles.

They talk about the situation in the US, where too many companies are lured away from truly productive activities, and towards rent-seeking, hunting for special favours and handouts.

I believe one of the main roles of government – and this government in particular – is to challenge, not succumb, to the Blob and to keep our economy free and fair.

It's vital to our mission that we fight the forces of vested interest and make sure our country's opportunities are open to everyone – big or small, north or south, man or woman.

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I am confident that we can continue to hold back the forces of The Blob.

Britain is the home of economic freedom, with liberty guaranteed by the independence of our state institutions, and an absence of corruption assured by transparency.

We've come a long way in the last seven years – championing free enterprise, tackling the abuse of lobbying and keeping the voices of protectionism at bay.

There are many countries across the world that do not get this right, and give in to the intoxicating embrace of institutionalised corruption. Even seemingly healthy democratic countries.

Because the biggest secret is what we don't do, rather than what we do do. We are a free country where we eschew suffocating central control and regimented planning.

We believe individuals makes better decisions for themselves. And we believe in people being the agents, not the victims, of their economic destiny.

Thank you.

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## [News story: Transport Secretary Chris Grayling commits to delivering a modern railway in the south-west resilient to extreme weather](#)

Transport Secretary Chris Grayling has today (28 February 2018) committed to delivering a modern railway in the south-west that is resilient to extreme weather, in the [government's response to a report by the Peninsula Rail Task Force](#).

Improving the resilience of the South West Peninsula is part of the biggest overhaul of the Great Western route since Brunel started work on the line more than 175 years ago, with £5.7 billion being invested in modernising the line and improving journeys for passengers. Central to this vision are upgrades to stretches of railway that run close to the sea through Teignmouth and Dawlish, safeguarding their future against damage as when storms washed away part of the line at Dawlish in 2014.

The government has already provided £15 million for Network Rail to design a long-lasting solution to this problem, in addition to the £40 million spent by Network Rail to repair the damage caused in the 2014 storm.

Transport Secretary Chris Grayling said:

We are investing in the biggest modernisation of our railway network since Victorian times, providing faster, more reliable and more frequent services for passengers across the country.

The 2014 storms caused devastation to Dawlish and huge disruption followed. It has been a key priority since I became Transport Secretary.

That's why we're investing in the infrastructure of the region – making it easier for people to get around and better connecting the south west to the rest of the country. And that's why sorting out the route through Dawlish is my number one national rail priority.

From the summer, passengers will be also able to take advantage of 29 Intercity Express trains running from London to Penzance. The new bi-mode trains will provide faster, more comfortable and more reliable services, adding an additional 1000 peak time seats compared to today.

Other improvements include:

- the start of a two-train per hour service between Plymouth and Penzance.
- the end of 'Pacer' trains
- free Wi-Fi on all GWR trains
- substantial car park extensions at stations across the peninsula including a completed scheme at Tiverton Parkway and further schemes at St Erth and Taunton
- investment of £9 million to update the Cornish sleeper service
- instructing GWR to examine how the line between Exeter and Okehampton could see the reinstatement of regular train services.

Elsewhere in the region:

- the government is investing more than £1.6 billion in upgrading the A303 near Stonehenge, linking the south-east and the M5 in the south-west to improve journey times, reduce congestion and improve air quality for millions of people, while also supporting 120,000 extra jobs and 100,000 new homes across the region
- local authorities will benefit from £1.3 billion funding to maintain local roads in the current funding period
- the government awarded more than £970 million in local growth funding to boost jobs and business in the area
- the government announced at the Budget to invest £79 million to build the A30 link road for St Austell
- the government is investing £60 million in a series of local road schemes, with funding from the National Productivity Investment Fund

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## [News story: Minister welcomes 'accountability revolution' in higher education](#)

Universities Minister Sam Gyimah has called on the new universities regulator, the Office for Students (OfS), to put a "laser-like focus on students" at its inaugural conference today (28 February).

[Speaking](#) to leading figures from the Higher Education sector at the Queen Elizabeth II Centre, London, the Minister outlined the significant progress that has been made by the Government to establish the OfS.

At a time when the university sector is experiencing unprecedented levels of scrutiny, the Minister set out how the launch of the OfS signified "a new age – the age of the student". He called on the sector to embrace this new era and made clear that he expects the OfS to put student interests at the centre of everything they do.

The conference marked the publication of the [OfS new framework](#) – a blueprint

for higher education – and the biggest regulatory change in Higher Education in over a quarter of a century. The truly modern framework will ensure our world-class universities are able to rise to the challenges of the future.

In his speech, the Minister set out his vision for a successful higher education sector, including how universities must fulfil their vital civic duty in society by championing student interests and transforming their lives.

Speaking at the OfS conference today, Universities Minister Sam Gyimah said:

Since taking office I have visited universities around the country to talk to students and listen to their hopes and concerns.

What students have told me is that they value excellent teaching, high quality information and want a system that is responsive to their needs.

The new regulator will have real powers to deliver these goals. By putting students' interests first, the OfS will play a key role in delivering an accountability revolution.

The Office for Students will replace HEFCE and OFFA as the single regulator for higher education in England. It will take up its regulatory role in April 2018.

The minister's speech can be read in full [here](#)

The Secretary of State's guidance to the Office for Students is available [here](#)

The new Regulatory Framework is available [here](#)

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## **[News story: Appointment of Professor Jo Swaffield and Dr Brian Bell to the MAC](#)**

Their appointments follow a rigorous recruitment process that was regulated by the Commissioner for Public Appointments.

The Chair of the MAC, Professor Alan Manning said:

Jo and Brian bring a wealth of expertise and experience and I am

delighted to welcome them as members of the Migration Advisory Committee.

### **Jo Swaffield**

A Professor of Economics and Head of Department at the University of York, Professor Swaffield is an applied micro labour economist with strong research expertise in the UK labour market and a track record of providing quality research evidence to government. Her main research fields are in labour economics and applied micro-econometrics, focusing on issues such as the gender wage gap, low wages (including minimum wages and the Living Wage), and also employment (particularly in terms of working hours).

Professor Swaffield's research has been published in leading economics journals and gained external funding from prestigious funders. She has delivered a number of commissioned research reports that have formed part of the evidence base for the Low Pay Commission's recommendations on the UK's National Minimum Wage.

### **Brian Bell**

Dr Bell has been a Senior Lecturer, King's Business School, within Kings College London since January 2017, following four years as an Associate Professor in the Department of Economics at Oxford University. Dr Bell is a world leading labour economist who is widely published, and his work on immigration has included papers examining the progress of immigrants in the labour market in the UK, and the impact of immigration on crime in the UK.

Dr Bell has worked extensively outside academia, including at the Bank of England and the International Monetary Fund.

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## **[News story: Genome sequencing project reaches the halfway mark](#)**

The 100,000 Genomes Project was launched in 2012 and has now reached the halfway mark – sequencing 50,000 human genomes from 40,000 patients.

Patients have already benefited from their participation in the project:

- participants with rare diseases have received faster diagnoses
- cancer patients have received personalised treatment programmes only made possible by the project

The project aims to provide better insight into the cause of diseases and how diseases develop in each individual. This will ensure that medicine is more targeted and there will be fewer unwanted side effects.

While many developed countries are working on genomic medicine initiatives, no other has the reach and impact of the 100,000 Genomes Project. Patients are recruited through care and treated through routine channels thanks to the unique structure of the NHS.

Of the 50,000 genomes mapped so far:

- 8,000 are for cancer patients
- 42,000 are for rare disease patients and family members

Breast, brain, colorectal, lung, prostate and renal are among those cancers to have been successfully sequenced.

Whole genome sequencing gives a more complete picture of the precise genetic changes causing an individual's cancer. It opens up a greater range of treatment options.

Early analysis has found genetic changes in more than 60% of cancer patients, which could potentially provide new therapies through clinical trials for some of these patients.

Health and Social Care Secretary Jeremy Hunt said:

This incredible achievement shows once again why the UK is a world leader in genomic medicine.

We're backing our world-leading scientists and clinicians in the NHS to push the boundaries of modern science and embrace new technology – using data to transform the lives of patients and families through quicker diagnoses and personalised treatments.

It is testimony to the hard work of the clinicians and scientists across the NHS and volunteers for the project that we can continue to harness the very best of the NHS and remain at the forefront of this pioneering field.

Sir John Chisholm, Executive Chairman, Genomics England said:

The 100,000 Genomes Project was a stunningly ambitious project when announced by the (then) Department of Health 5 years ago. Since then, Genomics England and NHS England (now joined by Scotland, Northern, Ireland and Wales), working with a huge number of ground-breaking partnerships, have built the infrastructure and protocols to deliver health-enhancing diagnostics from consented patients with undiagnosed rare genetic disease and common cancers, while at the same time enabling their data (in de-identified form) to provide the basis for research leading to improved therapies and treatments.

Having built the platform and reached the 50,000 halfway point we

are now able to operate at a scale to complete the target by the end of 2018.

Currently, the average rare disease patient in the UK consults 5 doctors, receives 3 misdiagnoses and waits 4 years before receiving their final diagnosis.

Genomic testing is changing the lives of patients with a rare disease – often providing diagnoses for the first time after years of uncertainty and distress, known as the ‘diagnostic odyssey’.

Professor Sue Hill OBE, Chief Scientific Officer for England and Senior Responsible Officer for Genomics at NHS England, said:

This is an important milestone for the project and has only been possible because of the contribution and commitment of the participants in the project and their families.

The milestone also marks how healthcare professionals from across the NHS have come together to transform care for the future, demonstrating how this technology can be utilised as part of routine care to improve patient lives and keep the NHS a world-leader in this important area of medicine. Working together patients and professionals have achieved so much and I would like to say a personal thank you to each and every one for playing their part.

We are on track to complete recruitment to the project this autumn and, from then, the use of these cutting-edge genomic technologies will be embedded in the NHS through the new Genomic Medicine Service offering real benefits to patients and healthcare delivery.