

Speech: Lord Dunlop spoke at Scotland Policy conference, Edinburgh.

Introduction

Good morning ladies and gentlemen.

Thank you for inviting me to address your conference today.

This conference is taking place at a crucially important time.

Yesterday the Bill to authorise the Prime Minister to notify the UK's intention to withdraw from the European Union passed its Third Reading in the House of Lords.

The debates in the Upper House have been passionate, lively and continuing late into the evening.

And if I may say so, they have been a million miles from the perception many people have of the House of Lords.

When I joined the House of Lords one of my new colleagues recounted the story of a peer who'd had a dream he was making a speech in the Chamber of the House of Lords...

...and then the Peer woke up and realised he was making a speech in the Chamber of the House of Lords!

Well I can assure you everyone in the House of Lords has been wide-awake and on their toes as we've considered the Article 50 Bill.

The Bill now goes back to the House of Commons to consider Lords Amendments and then on to what is colloquially known as "ping pong"...

... or possibly if you're Boris Johnson – "whiff whaff".

The key point is that we're on track to meet the Prime Minister's commitment to trigger Article 50 by the end of March.

Against that backdrop my theme is very simple: working together...

...because there's never been a time when it's been more important for us to come together and to work together in the national interest.

I believe that's what people here in Scotland – and right across the UK – want from – and expect – of their governments.

So today I want to cover three aspects...

...strengthening the performance of the Scottish economy...

...securing the best deal as we exit the EU...

...and reaching a sensible and stable settlement with the devolved administrations as powers are repatriated from the EU.

Scotland's Economic Performance

I had the good fortune to study at Edinburgh University under the late, great Professor John P McIntosh.

He was one of the foremost political thinkers of his generation – in so many ways the father of devolution.

I often wonder what he would make of today's Scottish politics.

He would certainly be proud to see a Scottish Parliament at Holyrood.

And not just any old parliament...

...but a parliament now widely accepted as one of the most powerful devolved parliaments anywhere in the world.

I suspect however he would also be dismayed that...

...after nearly 20 years of devolved government...

...constitutional politics continues obsessively to dominate public discourse in Scotland...

...with other vitally and immediately important issues...

...the state of our schools and hospitals, the deficit in our public finances or the development of our economy all struggling to command such attention.

At the top of the list of those matters that must command our attention is the performance of Scotland's economy...

...because by nearly all key measures, the Scottish economy is beginning to lag behind that of the rest of the UK.

Our GDP growth last year was a third that of the UK as a whole, remaining pretty much flat over the last six quarters.

The number of businesses in Scotland is falling, whereas in the rest of the UK, it is rising.

And activity in the labour market is lagging behind the UK – the worst performance of any of our regions or nations.

My purpose in reeling off these rather downbeat statistics is not to depress you or to talk down Scotland.

I bow to no-one in my confidence in the potential of Scotland and in the talents of her people.

But we do need a reality check.

In recent years the Scottish economy has not been performing as well as we would all like it to.

And closing this growth gap is more important than ever given the new and extensive tax powers devolved to the Scottish Parliament.

Because in future what the Scottish Government is able to spend on public services will depend in large part on revenues raised here in Scotland...

...accounting for over 50% of the total Scottish budget.

If ever there was an incentive to pursue, enterprise-friendly, pro-growth policies then this is it.

So it's time for us to address these immediate – and I hope temporary – challenges before they become permanent structural imbalances.

That's why the UK Government has been working closely with the Scottish Government on the UK City Deal programme.

It's widely accepted that cities...

...with their concentrations of talented and enterprising people, their infrastructure and their institutions of higher education...

...are principal drivers of growth and job creation.

It's a notable achievement that Scotland is the only part of the UK where each of its cities either already has a city deal or is in the process of negotiating one.

City Deals are not about carving out separate and isolated enclaves.

Quite the reverse – they are about creating a network of regional economic powerhouses capable of forging mutually beneficial connections and linkages.

The value of connectivity is clear beyond doubt.

Just look at the trade flows within the UK.

Scottish trade with the UK is worth four times more than its trade with the EU – nearly £50b to the rest of the UK, just over £12.3b to the EU.

Since 2002, Scottish sales to other parts of the UK have risen by 74%, while exports to the EU have increased by just 8%.

The message is very clear: on this island of ours we are thoroughly inter-dependent.

We want to build on those vital economic connections.

That's what the UK Government's Industrial Strategy is all about...

...by driving collaboration across the UK through, for example, sector deals and the Innovation Challenge Fund.

And I want to ensure that – in what will be a very competitive environment – we are putting our best foot forward to maximise the benefits for Scotland from these initiatives.

We will work closely with Scottish ministers to align our strategy with the Scottish Government's so that it's fit for purpose here in Scotland.

The prize of working effectively together is potentially huge.

If business productivity were to rise by one per cent every year...

...within a decade it would add £240bn to the size of the economy...

...equivalent to £9,000 per household in Britain.

Brexit

And of course we need to address these challenges as the UK negotiates its exit from the EU.

Challenges that were manifest before the vote last June.

And challenges therefore that are not a result of Brexit.

However, Brexit provides the sharp spur to redouble our efforts to improve the productivity and competitiveness of the Scottish and UK economies...

...so that we can realise our ambition of a Britain that continues to be the global, outward-facing, progressive country we all want it to be.

Negotiating with our European partners the best possible deal for Scotland and the UK as a whole is of the highest priority.

Over the last 8 months the Secretary of State for Scotland and I have talked to businesses in every part of Scotland.

Our overwhelming sense is that most Scottish businesses whatever their views about Brexit...

...will manage it with great resilience...

...and want us to get on with agreeing a new and ambitious trading relationship with the EU.

And let me assure you in achieving this mission, the UK wants to work with the Scottish Government.

We will put ourselves in the strongest position to achieve our joint objectives if we present a united front to the EU.

And despite some of the high-octane public rhetoric from some Scottish

Government Ministers...

...who sometimes seem to prefer process arguments...

...and to emphasise division and difference...

...there is significant common ground between the Scottish Government's priorities and those articulated by the Prime Minister:

- The freest and most frictionless trade with the EU single market.
- Immigration arrangements ensuring all sectors of our economy – whether seasonal fruit pickers or the brightest and best research graduates – can continue to source the skills and labour to drive the growth, which last year made the UK the fastest-growing developed economy.
- Early guarantees of the status of EU nationals who have chosen to come here to live, work and make such a valuable contribution to our nation.
- Protection and enhancement of employment rights.
- Incorporation of the current framework of environmental regulation into domestic law with the Great Repeal Bill.
- Continuing investment in European R&D collaboration for our world-class universities.
- A phased approach to implementation where necessary to avoid a sudden cliff-edge exit that would disrupt business.

I could go on...

So let's not exaggerate divisions or elevate difference to being an end in itself.

To do so would be to put ideology and partisanship before practicality and policy outcomes.

Let's instead make shared goals the means to secure an outcome that works for all parts of the UK, and most certainly for Scotland.

Above all this is about mindset and motivation. The UK and Scottish Governments will not agree on everything.

But the questions are these...

...does the SNP Government genuinely want to find practical solutions that help

to bridge the differences?

And does it want to make the process of inter-governmental relations work?

Indeed does it even have any longer-term interest in seeing the United Kingdom work better?

Or is everything to be seen through the prism of how it advances the cause of separating Scotland from the rest of the United Kingdom?

The Scottish Government argues that its policy paper , 'Scotland's Place in Europe', represents a compromise.

A compromise apparently in the sense that...

...first the SNP Government is prepared to accept that the UK – and Scotland – is leaving the EU...

...and second it is prepared not to press for independence.

My contention is that this is not a compromise.

This is democracy and the need to respect the results of two referendums...

... respect by not hijacking for the cause of independence the votes of those people in Scotland who voted to Remain and who believe strongly in our Union of four nations...

...and respect by not discounting the views of the many people who believe in independence but who voted to Leave the European Union.

All the recent evidence suggests that the majority of people in Scotland don't believe that now is the time for another independence referendum...

...just two and half years after the last one.

They know this would create only greater uncertainty and division...

...damaging our economy and driving away investment and talent.

And they also want to be able to judge for themselves how the deal we are able to reach with our European partners works in practice.

Constitutional Settlement

My final point relates to the devolved settlements following Brexit.

The Scottish Government recently issued a statement, which suggested that the UK Government would use Brexit to mount 'an attack on the very foundations of the devolved parliament.'

There was one problem with this statement. It was a statement based on an assertion for which absolutely no evidence was produced.

As someone who, for the last five years, has worked at the heart of the UK Government developing our very positive devolution agenda, I was disappointed by it.

The reality is that modern Conservatives are enthusiastic devolutionists...
...and we've a record to prove it.

Since 2010 Conservative-led governments have taken forward [five] major pieces of devolutionary legislation – including two Wales Bills and two Scotland Bills.

And we don't want devolution to stop at Holyrood...

...we would like to see more power handed on to local communities and people.

When David Cameron said in 2012 that he was happy to consider proposals for further devolution, Alex Salmond said he couldn't be trusted and muttered darkly of Alec Douglas-Home.

Well Alex Salmond was as wrong about this as he was about his oil forecasts – a couple of material changes since the 2014 referendum people might wish to bear in mind when next they hear material change used to justify Indyref 2.

The UK Government kept its word and the Vow was delivered in full.

And last Friday in Glasgow the Prime Minister made the position post-Brexit clear...

...none of the decisions currently taken at Holyrood will be taken back by Westminster...

...and more decisions will be devolved to Holyrood as a result of Brexit.

The irony is – as David Mundell has pointed out – that any new powers devolved to the Scottish Parliament as a result of Brexit would be handed back to Brussels by the SNP Government given half a chance.

So my message again to the Scottish Government is don't let's have a process row when what is required is a sensible and practical discussion to agree what common frameworks across the UK may be needed...

... to ensure that as we exit the EU we don't create new barriers within our own UK home market or impair our ability to negotiate an ambitious set of new free trade agreements.

To deny the need for such UK frameworks would be to act against the interests of Scottish fisherman or farmers or any other Scottish business who do not want to see their routes to market in any way impaired.

Conclusion

So in conclusion, the UK Government's aim is to forge a new relationship with our friends in the European Union based on an ambitious free trade agreement.

We are leaving the EU but we are not leaving Europe.

It's strongly in the UK's interests and of those of our European partners that we continue to work closely together.

We want to strike the best possible deal for the whole UK – a deal that works for each part of our country and particularly for Scotland.

Scotland's priorities are shared by other parts of the UK.

We will succeed if we present a united front in the negotiations – a Team UK approach.

A united approach is certainly what we can expect from the EU.

I believe we can achieve a united approach because there is much common ground between the outcomes sought by both the UK and Scottish Governments.

We will continue to work hard with the Scottish Government to build on that common ground.

It's what people in Scotland want, expect and deserve. And we must not let them down. Thank you for listening.

Press release: Work completed at Tetney Haven to reduce flood risk and benefit the environment

The Environment Agency has de-silted a section of the Tetney Haven, helping reduce flood risk and boosting the area's ecology.

The work, part of the EA's regular maintenance programme, saw excess silt removed from approximately a kilometre of the Louth Canal and from around the sluice gates at Tetney Lock.

Silt builds up naturally at the sluice as it settles when the flowing water in the channel loses momentum at the sluice gates. Removing it means water can continue to flow easily from the canal into the Haven.

Along with other routine maintenance on the channel, removing the silt helped reduce flood risk to approximately 500 local homes and businesses.

The nutrient-rich silt was then spread on the salt marsh adjoining the banks of the channel, and work was also done to improve drainage on the salt marsh. These improvements help the natural wetting and draining cycles of the soil that encourage vegetation to grow.

The plants help prevent erosion and stabilise land which serves as a front line of flood defence by absorbing much of the force of tidal waves.

This work has also helped improve, preserve and extend the salt marsh's ecology, made up of salt-tolerant plants and up to 300 species of invertebrates, half of which are unique to this environment. These conditions, in turn, provide valuable habitat for migrating birds, some of which are endangered.

Andy Charlesworth, Asset Performance Advisor with the Environment Agency, said:

This is a perfect example of how we aim for the most benefit for people and the environment from everything we do.

We have a regular programme of inspection and maintenance on our flood defences, and we're always looking for ways to achieve extra benefits at the same time. In this case, while we had our equipment on-site, we were able to use it in another way to give a boost to ecological conditions in the surrounding area at no extra cost.

De-silting Tetney Haven took just over seven weeks and cost £127k. It was last de-silted 10 years ago, and the Environment Agency's modelling shows it is unlikely to be needed again for another decade.

De-silting is not always the best solution for reducing flood risk; we carefully consider each situation on a case-by-case basis to determine whether de-silting is cost-effective and will have the desired result of reducing risk.

In the next financial year, the Environment Agency will spend approximately £12m on flood defence maintenance to reduce risk to local communities.

Although the Environment Agency continually invests in maintaining and improving flood defences, no defence can ever completely remove the risk of flooding; therefore we'd encourage people to sign up for our free flood warnings by calling 0345 988 1188 or visiting www.gov.uk/flood.

ENDS

Notes to editors:

- The Environment Agency is required to prioritise funding for asset maintenance and repair where it will have the most benefit in reducing flood risk.
- Saltmarsh provides vital habitat including food and roosting opportunities for over-wintering birds such as seed-eating twites, which are on the [Birds of Conservation Concern 'red list'](#), and waders such as

redshank. Saltmarshes support around half of the UK's breeding redshank population.

[Code of Practice for Ethical Employment launched](#)

At the centre of the Code is a focus on guaranteeing good employment practices for the millions of employees involved in public sector supply chains.

All public sector organisations in Wales, businesses and third sector organisations in receipt of Welsh public sector funding will be expected to sign up to the code. Other organisations and businesses based in Wales are encouraged to sign up to the code.

The new code covers six key subjects, containing 12 commitments, ranging from unlawful and unethical practices to good and best practice. It has been developed with the support of the Workforce Partnership Council and social partners including Unions.

The first subject is Modern Slavery, estimated to affect fifty million people worldwide including in the UK and Wales. The Code of Practice, and accompanying guidance, will enable staff to spot and deal with allegations and to identify and assess spend areas at higher risk of modern slavery and human right abuses.

The second area in the Code is Blacklisting, when workers are discriminated against if they join a Union or raise Health and Safety concerns. The Code of Practice, and accompanying guidance, contains a commitment to ensure suppliers are not using blacklists and sets out how to avoid companies that have not taken the issue seriously.

The next three areas relate to terms and conditions of employment, including Zero hours contracts, Umbrella Schemes and False Self-Employment. The Code of Practice, and accompanying guidance, will help staff to differentiate between fair and unfair practices. The Guide also includes a Fair Work Practices tender question to deal with these issues through procurement.

The final area relates to the Living Wage and contains a commitment to consider paying all staff a Living Wage as a minimum.

In signing up to the Code, organisations will agree to comply with the 12 commitments designed to eliminate modern slavery and support ethical employment practices.

Mark Drakeford said:

"I am very pleased to be launching our Ethical Code in Supply Chains at the Workforce Partnership Council today. This is a ground-breaking piece of work – and an excellent example of what working in social partnership across Wales can deliver.

"The Welsh public sector spends around £6bn every year on goods, services and works involving international supply chains. The uniting factor is the people involved in each stage of these supply chains.

"It is therefore vital that good employment practices are at centre of all public sector projects here in Wales. This new code will play an important role in helping achieve this and in turn tackle unfair employment practices and contribute to improved conditions for workers.

"I expect all public sector bodies in Wales, Welsh businesses and suppliers to the Welsh public sector to sign up to this code. It is only by working together that we can help deliver a better, and crucially, a fairer deal for workers in our supply chains in Wales and throughout the world."

Martin Mansfield, Wales TUC General Secretary said:

"This new code of practice is a very welcome step on the way to ensuring that Wales becomes a 'fair work nation'.

"Welsh government has a strong commitment to address exploitative and unethical employment practices and is taking action to enforce that. The Wales TUC wants to see all the powers and influence available to government used to ensure people are treated fairly at work.

"Wales has many great employers who provide career opportunities and development for staff and work in partnership with unions. However there are still too many bad bosses who seek to exploit workers and undermine decent standards in order to enrich themselves.

"This code is an indication that Wales will not tolerate exploitation. Now we need similar action to ensure decent work and fair treatment are the only way in Wales."

Alison Ward, Chief Executive, Torfaen County Borough Council said:

"Public sector employers in Wales are strongly committed to the wellbeing of all those who deliver services to the public, whether they are employed directly or through contractual arrangements. We welcome the principles set out in the Code of Practice in Ethical

Employment in the Supply Chain, and we hope to see it ensure fair treatment for everyone involved in the demanding job of providing good public services in times of austerity.”

[These NHS performance statistics are a damning indictment of Theresa May's neglect of our NHS – Jonathan Ashworth](#)

Responding to the latest NHS monthly performance statistics, Jonathan Ashworth MP, Labour's Shadow Health Secretary, said:

“These NHS performance statistics are a damning indictment of Theresa May's neglect of our NHS. She's overseen an unprecedented winter crisis, in which almost a thousand people waited over twelve hours on trolleys, compared to just 17 in January 2011. The Government once again missed its four hour A&E target and seems content with a 504 per cent increase in the number of patients waiting over four hours for admission since January 2011.

“Speaking to the Reform think tank earlier, Jeremy Hunt joked at his dislike of targets. This is no laughing matter: patients in this country have faced the worst winter crisis in the history of our NHS and it is shocking that Jeremy Hunt has indicated he doesn't expect to hit the A&E target until 2018. The Health Secretary has been in position for four and a half years and this simple isn't good enough.

“Yesterday's Budget announcement should have been an opportunity to genuinely place the NHS on a sustainable footing. And yet the Chancellor's mere offer of £100 million for capital funding simply isn't enough, meaning the NHS will continue facing its biggest financial squeeze in history and head-for-head investment will fall again next year.

“The Tories are overseeing a startling collapse in standards and Theresa May is still in complete denial as to the sheer scale of the crisis. Jeremy Hunt

must

be clearer about what action he's going to take to make sure patients and their families never have to go through a winter like this again."

News story: Fisherman and owner fined £38,201 for fisheries offences

Klaas Kramer and Island Fishing Company Limited (master and owner of the vessel Eben Haezer GY57) pleaded guilty to breaching fisheries regulations at North Tyneside Magistrates Court.

The court heard how between November 2015 and January 2016 the vessel repeatedly fished in the North Sea 'Cod Recovery Zone' despite having exceeded the maximum number of days at sea which the vessel was allowed to spend in that area with regulated fishing gear under the regulations. Investigations by the MMO found that the vessel exceeded the 200 day limit by over 37 days over eight separate fishing trips, contrary to section 4(9) of the Sea Fish (Conservation) Act 1967. The MMO had sent the vessel owners a letter reminding them that they were within 1 day of the limit in November 2015, but the vessel continued to fish, which resulted in the prosecution.

Mr Kramer was fined £3,200 with a victim surcharge of £120 for his role as master of the vessel on seven of the trips.

Island Fishing Company (of which Mr Kramer is a Director and shareholder) was fined an initial £9,200, with an additional fine of £24,000 which the magistrates indicated represented the net profit of the illegal fishing, costs of £1,561 and a victim surcharge of £120.

A spokesman for the MMO said:

"The fines issued by the magistrates in this case send a clear message to the small minority of fishermen who seek to put profit first by failing to comply with the regulations. By issuing an additional fine of £24,000, which the bench indicated that they felt represented the profit from the illegal fishing in this case, the court has made it clear that sentences for unlawful behaviour should deprive offenders of the economic benefit of offending.

The MMO is clear that the vast majority of fishermen operate lawfully and in compliance with regulations which exist to protect fisheries from overfishing and are in place to ensure healthy, sustainable fisheries for this and future generations of fishermen. In the rare instances that non-compliance is detected, MMO uses a risk-based enforcement strategy and operates a graduated and proportionate system of sanctions, with prosecution reserved for the most serious offences."