

# Built environment sector deal: opening formal negotiations with the sector

As part of the Industrial Strategy we are striking a series of sector deals. These are partnerships between the government and industry on sector-specific issues and can create significant opportunities to boost productivity, employment, innovation and skills.

Following a process of early engagement, we are now entering into formal negotiations on a built environment sector deal. While these negotiations will shape the final content of any deal, we expect it to meet overarching government objectives of:

- delivering more homes and improving housing quality for example through initiatives that support offsite construction
- improving the sector's productivity through improved access to data and the promotion of PropTech
- enabling the sector to diversify its workforce through dedicated skills and employment strategies, as well as diversifying its firm base and increasing competitiveness
- promoting clean growth and supporting the sector's transition to low carbon

The built environment sector deal will bring together investors, developers, real estate and asset management, architecture firms, PropTech firms and others upstream in the supply chain. By focusing on these organisations, the built environment sector deal will enable the implementation and delivery of the construction sector deal.

The sector is crucial to the UK economy: commercial real estate alone employs over 2 million people either directly or indirectly, and generates around 7% of the country's GDP, as well as delivering great places to live and work. These factors make it fundamental to delivering the government's strategic objective, including our ambitious housing targets.

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# Changes to NHS pensions for senior clinicians: have your say

Health and Social Care Secretary, Matt Hancock, is [asking consultants, GPs and other senior clinicians for their views](#) on proposals to change NHS pensions to allow clinicians to take on extra work caring for patients without fear of receiving higher tax bills.

The Department of Health and Social Care is aware that some clinicians are considering reducing their workload and turning down additional work to slow down the rate at which their NHS pension grows each year. This is because they don't want to breach their annual allowance of up to £40,000.

The [NHS People Plan](#) set out plans to offer a fairer and more flexible approach to the NHS Pension Scheme for high-earning clinicians, following discussions with employers and doctors. Today the government has opened a consultation on a new 50:50 option, which lets clinicians halve their pension contributions in exchange for halving the rate of pension growth.

Improved flexibility will give clinicians more control to better manage their pensions growth and tax liabilities. This will:

- help them avoid cutting their hours
- allow them to work additional shifts to reduce waiting lists, or take on further supervisory responsibilities

The consultation focuses on 50:50 as the main option to resolving concerns, as it balances simplicity with the need to offer flexibility. The government welcomes views on whether this goes far enough.

Currently, while they work, every clinician has an option not to pay any tax up front on money that is saved into their pension. Instead, they can choose for the NHS Pension Scheme to pay the tax bill now, and the scheme will then recoup the tax, plus interest, by taking it off their pension fund at retirement. This is known as 'Scheme Pays'.

The consultation proposes to make Scheme Pays more transparent, so staff can better assess how deferring payment will affect their pensions. The suggestions in the consultation could make the calculations system more user-friendly and clearer in how the deductions are calculated and communicated to clinicians.

The NHS Pension Scheme is recognised as one of the most generous in both the private and public sectors, but the tapered annual allowance means some clinicians are facing significant tax bills. The tapered allowance was introduced in 2016 and reduces the amount that high earners can save into

their pensions tax-free.

Around a third of NHS consultants and GP practice partners have earnings from the NHS that could potentially lead to them being affected by the tapered annual allowance. This has led to some clinicians changing their working behaviour.

The government will listen to feedback on the 50:50 proposal and all ideas on pension flexibility by consulting for 12 weeks before making changes in time for the new financial year.

Health and Social Care Secretary, Matt Hancock, said:

“I love the NHS and the people who dedicate their lives to caring for patients. Each and every one of them is crucial to our Long Term Plan for the NHS, yet too many of our most experienced clinicians are reducing their hours, or leaving the NHS early because of frustrations over their pension.

“I want them to know that I am listening and I want to work with them to fix it for the sake of patients.

“We want to make it easier for our hardworking senior doctors to balance their workload, their pension pot and their tax bill – with more flexibility, more choice, and less need to pay upfront.

“It’s vital any changes are based on real experiences and I urge all consultants, senior nurses and GPs to have their say.”

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## [Actuaries and the Analysis Function at Civil Service Live](#)

People from the Government Actuary’s Department (GAD) have highlighted the department’s role in government and GAD’s place within the [Civil Service’s Analysis Function](#). Actuaries from GAD gave presentations about the actuarial profession and helped launch the new Analysis Standard at [Civil Service Live](#).

The event, at the QEII Centre in London, was attended by around 8,500 people and 400 speakers over 2 days (16 and 17 July 2019).

Delegates heard about the wide range of achievements which GAD has delivered for its clients and we focussed on recent projects, including:

- advising on the personal injury discount rate, which affects compensation amounts
- assessing the costs of public service pension schemes
- assisting departments with staff transfers to help ensure fair pensions provision

- developing models to support the sale of student loan debt
- reviewing the risk financing analysis for large infrastructure projects

GAD's successes were also highlighted in June at Civil Service Live Scotland. Commenting on his presentation to civil servants in Edinburgh, George Russell, who oversees GAD's support to the devolved administrations of Scotland and Northern Ireland, said: "These UK-wide events are an important platform for the department.

"Civil Service Live offers opportunities to show attendees more about the important and strategic work carried out by actuaries in government and how we are a core part of the Analysis Function."

Further details about GAD and our work offering impartial actuarial analysis to government and public sector clients is available now in [Civil Service Quarterly](#). Find out more about the Analysis Function by following @AnalysisFunctil on Twitter.

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## [Global businesses – including Google and Microsoft – back UK to block cyber threats with new tech](#)

- almost £190 million worth of industry and government Industrial Strategy co-investment in 'designing out' some of the most damaging cyber security threats faced by the UK
- new expected investment by industry, including from Microsoft and Google, will benefit businesses and consumers alike, with increased security built into digital devices and online services
- plans will ensure UK leads the global cyber security market, predicted to be worth £39 billion in a decade

Major businesses including Google and Microsoft are backing the UK to become a world leader in tackling the most damaging cyber security threats, helping to ensure the UK remains one of the safest places to do business online, Business Secretary Greg Clark announced today (Monday 22 July 2019).

Up to £117 million expected private industry investment will be combined with £70 million government investment through its modern Industrial Strategy to develop new technologies. These will range from a new and secure hardware prototype that can cope with cyber-attacks, to software protected from new vulnerabilities appearing online – each to ensure that every UK organisation and consumer online is as secure and resilient to cyber threats as possible.

With cyber threats constantly evolving, the best defence in the future is

seen as developing innovative solutions that can work independently and protect against threats even during attacks. The government wants to ensure that every UK organisation is as cyber secure and resilient as possible.

Nearly all UK businesses are reliant on digital technology and online services, yet more than 30% have experienced a cyber-security breach or attack in the last 12 months. Hackable home wifi routers can be used by attackers in botnets to attack major services and businesses.

Consumers are often the worst affected by mass information leaks than the organisation that held their data. Businesses are having to spend increasing amounts on cyber security, up to 20 to 40% of their IT spend in some cases. And as more and more systems are connected, whether in the home or businesses, there is a need for security that is secure by design.

Business Secretary Greg Clark said:

Digital devices and online services are powering more of our daily lives than ever before, from booking a doctors' appointment to buying online shopping. While these devices and services bring great benefits to businesses and consumers, they come with the associated risks of cyber-attacks and threats that are becoming increasingly complex to tackle.

As we move to a more data-driven economy, nearly all UK businesses and organisations are reliant on these digital technologies and online services – but the threat of cyber-attacks is ever-present, with more than 30% of businesses having experienced a cyber-security breach or attack in the last 12 months.

With government and industry investing together as part of our modern Industrial Strategy, we will ensure that the UK is well placed to capitalise on our status as one of the world leaders in cyber security by 'designing in' innovative measures into our technology that protect us from cyber threats. This will also help us bring down the growing cybersecurity costs to businesses.

This expected joint investment will create projects to develop new solutions to cyber security over the next 5 years, with the aim of applying the findings in real-world markets through dedicated demo-projects led by business. For example, these demo projects could include testing the new technology in the health sector to ensure a higher level of protection for patient data, or in consumer markets to ensure consumers' personal data is fully protected as far as possible.

Ann Johnson, Corporate Vice President, Cybersecurity Solutions Group at Microsoft said:

At Microsoft, we embrace our responsibility to help empower organisations on their digital transformation journey to unlock the

security and compliance capabilities of the intelligent cloud and next generation AI.

We support the vision behind the Digital Security by Design Initiative that helps bring digital security by design into the central hardware of tomorrows computers and have committed financial resources to collaborate across these exciting new proposed activities.

Ben Laurie, Head of Security and Transparency at Google said:

At Google we place a high priority on the security of data and believe that the proposed Digital Security by Design initiative is vital to bridge the gap between the realities of the hardware development cycle and those of commercial software companies.

We need proven hardware architectural changes that permit the secure and efficient separation of data so we can provide the user control of data in distributed systems, a problem thought otherwise impractical to address. We will commit significant resources to this program, the results of which will be open source and available to the whole industry.

UK Research and Innovation Chief Executive, Professor Sir Mark Walport said:

As our use of internet connected devices has rapidly increased, so too has our vulnerability to broader and more sophisticated cyber threats. This challenge will drive changes in the UK's digital computing infrastructure to enhance cybersecurity for businesses, government and citizens. It will help make the UK a market leader in delivering digitally secure products and services.

Interim Challenge Director at UK Research and Innovation, Professor John Goodacre said:

In the next 5 years this challenge will radically update the foundation of the insecure digital computing infrastructure that underpins the entire economy, therefore increasing cyber security for businesses, government and across society. It will boost productivity for the UK via reduction of days lost to cyber-attacks while helping to make the UK market leaders in delivering the first digitally secured products and services

Dr Ian Levy, National Cyber Security Centre's Technical Director said:

The National Cyber Security Centre is committed to improving

security from the ground up, and we have been working closely with government to promote adoption of technology and practices to protect the UK.

We hope this additional investment will drive fundamental changes to products we use every day. This is vital work, because improving hardware can eradicate a wide range of vulnerabilities that cause significant harm.

Developing innovative solutions to cyber security will help put the UK at the forefront of the AI and data revolution, in support of the government's [AI and Data Grand Challenge](#).

Details on the upcoming rounds of funding for this Digital Security by Design challenge, which will likely bring together academics, research institutions, start-ups, SMEs and large businesses, will be announced later this year.

The £70 million of [government funding](#) Digital Security by Design challenge will be delivered by UK Research and Innovation through the Industrial Strategy Challenge Fund.

The UK government is fully committed to defending against cyber threats and address the cyber skills gap to develop and grow talent. A 5-year National Cyber Security Strategy (NCSS) was announced in November 2016, supported by £1.9 billion of transformational investment.

The World Economic Forum Risks Report 2018 lists data fraud/theft and cyber-attacks as a key global risk.

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## [Liam Fox announces government support for INCATUK to deliver Angolan agricultural project and develop economy](#)

The project forms part of the Angolan Government's efforts to develop the economy and will help reduce the US\$1.5 billion the country spends importing food every year.

It will include an array of activities including providing power lines, training farmers, improving roads and rehabilitating farms neglected during the civil war.

International Trade Secretary, Dr Liam Fox MP, said:

This project will have a marked impact on Angola's future economy and I am delighted UK expertise continues to play a leading role in shaping growth and development around the world. This is an exciting example of how support provided by our award-winning export credit agency UK Export Finance (UKEF) is enabling UK companies meet their true export potential.

Baroness Northover, the Prime Minister's Trade Envoy for Angola and Zambia, said:

This project will play a key role in Angola's drive towards economic development and I am delighted that, with support from UKEF, British businesses and expertise are playing a crucial role in the country's development.

José María Arribas, director of INCATUK Ltd, said:

This project will not only contribute to the development of the cattle livestock sector and its value chain, but will also help to improve the rural development of the Camambatela Planalto region, by providing infrastructures that will benefit all the population. UKEF's support has been crucial for turning this project into a reality.

Standard Chartered Bank acted as the co-ordinator & structuring bank and MLA for the UKEF and commercial facilities.

1. [UK Export Finance](#) is the UK's export credit agency. It exists to ensure that no viable UK export should fail for want of finance or insurance from the private market. It provides finance and insurance to help exporters win, fulfil and ensure they get paid for export contracts.
2. Sectors in which UKEF has supported exports include: aerospace, construction, oil and gas, mining and metals, petrochemicals, telecommunications, and transport.
3. UKEF has [a regional network of export finance managers](#) supporting export businesses.
4. [Find the latest information on UKEF's country cover positions](#)
5. UKEF supports exporters with a range of products that include:
  - Bond insurance policy



- Bond support scheme
- Buyer & supplier credit financing facility
- Direct lending facility
- Export insurance policy
- Export refinancing facility
- Export working capital scheme
- Letter of credit guarantee scheme