

# Contingent liabilities – one year on

The Contingent Liability Central Capability (CLCC) has just published its [inaugural progress report](#). It summarises the CLCC's achievements and sets out a vision for the coming years.

The CLCC was established in UK Government Investments (UKGI) in partnership with the Government Actuary's Department (GAD) in 2021.

## **Managing risk**

Government's contingent liabilities are complex and varied. It is vital that when government takes on risk, the risk is well understood and managed.

Estimating the likelihood of an event occurring, the timing and potential costs requires finance teams to undertake complex analysis on the outcome of uncertain future events.

## **Skills and expertise**

The government is leading the way in seeking to drive efficient management of its balance sheet. The CLCC has a key role to fulfil in supporting these objectives.

It brings together a unique combination of skills and expertise of people who analyse and advise on the government's contingent liabilities including:

- actuaries seconded from GAD
- credit risk experts
- Civil Service policy and analytical professionals

## **Report results**

The interim report includes some examples of how the CLCC has given advice on new and existing contingent liabilities which the government holds.

This includes using loss estimates provided by GAD to inform advice given to government departments.

An example is the work GAD carried out around the government's indemnity to nuclear operators for personal injury liabilities 10 to 30 years after an incident. The CLCC, using loss estimates provided by GAD, advised government departments on practical ways of dealing with these contingent liabilities. This included fair allocation of risk and reward between private sector insurers and the government.

Actuary Jacqui Draper led on the nuclear risk project. "We undertook extensive modelling of the 10 to 30 years personal injury indemnity before adapting our model to allow for a risk-sharing arrangement between industry and government."

## Achievements

The report sets out the CLCC's first year achievements, the current landscape of contingent liabilities across government and its future work.

Siobhán Duffy, Director, Contingent Liability Central Capability said: "We are proud of what we have achieved in the first 12 months as a new unit within government. However, delivering our objectives will be a multi-year effort requiring further close collaboration with departments."

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## UK Export Finance announces inaugural deal in Jordan

- £66m deal supports construction of facilities for Classic Fashion Apparel Industry
- Planned site in Aqaba expected to create 4,000 jobs for Jordanians.
- Announcement made at British Ambassador's Residence in Amman, in presence:

1. British Ambassador to Jordan Ms Bridget Brind OBE
2. UK Minister of State for Asia and the Middle East Ms Amanda Milling MP
3. Classic Fashion Apparel Industry CEO Mr Ramdas Sreedharan Nair

UK Export Finance (UKEF), the UK Government's export credit agency, announced its first deal in Jordan to support Classic Fashion Apparel Industry in the construction of four new garment factories and a corporate office in Aqaba.

The deal, worth £66m, will facilitate the building of four factories including three satellite manufacturing units as well as the Aqaba main facility. This will enhance Jordan's already strong textile industry. UKEF has provided support through a combination of direct lending and a buyer credit guarantee, allowing Classic Fashion Apparel Industry to move swiftly with their project and benefit from flexible repayment terms.

The new planned site located in Aqaba Special Economic Zone is expected to create around 4,000 jobs for Jordanians by 2024. Jobs for the local community are offered at varying levels, with the potential to grow and the opportunity to enter the business of garment manufacturing. This unique location is in close proximity to Aqaba port and gives Classic Fashion Apparel Industry an exporting advantage. This project will contribute to boosting manufacturing exports and jobs, in line with the targets for the sector contained in the recently launched Economic Modernisation Vision 2033.

The UK's support will extend beyond the funding scheme, as more than 30% of the services and supplies for the project, such as machinery and other building materials, will come from directly from UK providers. ASGC UK, a

leading British construction company in the region, will project manage and oversee all related elements to ensure quality and timely delivery.

ASGC UK, Managing Director Paul Woodman said:

ASGC is delighted and honoured to be part of this landmark project in Jordan. We would like to thank Classic Fashion, HSBC and UK Export Finance for their support and cooperation in putting together the commercial and financial arrangements that have made this project possible. We are privileged to count Classic Fashion as a client and hope this project will lead to further opportunities for ASGC in Jordan. Lastly, I would like to thank the British Embassy and the Department for International Trade in Amman for their support throughout the entire process as we would not have secured this prestigious project without their assistance.

Classic Fashion Apparel Industry Group is the largest apparel manufacturer in the MENA region. It produces around 550,000 garments per day and contributes to over 42% of all garment exports from Jordan. The company produced 130 million garments in 2021 and expects production to grow to 165 million garments this year.

Classic Fashion Apparel Industry Chairman & Managing Director Mr Sanal Kumar said:

My humble journey of life and what I have achieved today started based on a self-realisation that "you can raise yourself to your highest potential and deliver 100% of what you are capable of". Today Classic Fashion is the outcome of this simple thought. I would love to make this statement today that Classic Fashion is committed to giving its best to the deserving people in the rural areas of Jordan.

Also, I would like to emphasize that Classic Fashion will put all its might into being instrumental in achieving His Majesty's vision 2033. "To Take Jordan Apparel Sector to Its Pinnacle by Jordanisation, Vertical Expansion, Bringing SME Units into Open-Source Manufacturing Excellence Program, And Efficiency Enhancement.

I thank UKEF, British Embassy, and Department for International Trade in Amman & HSBC for coming along and supporting Classic Fashion in its journey of creating another 4000 jobs for Jordanians with the new set up in Aqaba of GIA Apparels- a fully owned entity of Classic Fashion.

Through UKEF, the UK can help international buyers access finance and insurance when it is not available from the private sector. UKEF has made up to £3 billion available to help Jordanian buyers access the finance they need

to trade with the UK. The full range of UKEF support is available to help finance priority projects in Jordan.

British Ambassador to Jordan Ms Bridget Brind OBE said:

I am delighted to welcome this ground-breaking deal with Classic Fashion as the first to be backed by UK Export Finance in Jordan with the involvement of British company ASGC UK. It will help create new jobs and increase exports, contributing to Jordan's economic growth and future prosperity. I hope it can act as a success story which can inspire more similar agreements in the future for the benefit of Jordan and the United Kingdom

UK Minister of State for Asia and the Middle East, Ms Amanda Milling MP, who is visiting Jordan as part of a regional visit welcomed the initiative and the opening of a new apparel and textiles factory in Aqaba, which will create thousands of jobs in Jordan.

With an open and friendly business environment, and expertise in sectors ranging from energy such as renewable, water sustainability, manufacturing and construction to services and technology, the UK is a trusted partner for Jordan. UKEF can also offer Shariah-compliant (Islamic Sukuk) finance products and offer support in local currencies such as Jordanian Dinars.

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## **[UN Human Rights Council 50: UK statement on climate change and the human rights of vulnerable people](#)**

World news story

The UK delivered a statement during a panel discussion on the adverse effects of climate change on the human rights of people in vulnerable situations.



Thank you, Mr President.

The United Kingdom thanks the distinguished panellists for their presentations.

Climate change and environmental degradation pose an unequivocal threat to the lives and wellbeing of individuals and communities across the world, including the most marginalised and vulnerable. We recognise that it is often those who are already most marginalised in society, including women and girls, whose enjoyment of rights is most likely to be affected by the impacts of climate change. For example, 80% of those displaced by climate change impacts are women and children, while women are more likely than men to die following a climate-related disaster.

Climate action must be inclusive of persons in vulnerable situations. This means ensuring that information and services are accessible, challenging social norms that create barriers to access, and disaggregating data by gender, age and disability.

The UK has championed inclusive climate action throughout our COP Presidency. The Glasgow work programme on Action for Climate Empowerment encourages Parties to the Paris Agreement to enhance climate education, training, public awareness, public participation, public access to information and international cooperation over the next decade.

We ask the panellists what further measures States could take to ensure that international climate policies mainstream gender equality and address intersecting forms of discrimination.

Thank you.

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## [Commission announces inquiry into orphanage charity](#)

Press release

The Charity Commission has opened a statutory inquiry into Children Care Centre, over concerns about the charity's failure to submit accounting information



The charity primarily aims to relieve the suffering and advance the education of children at the Amod Orphanage in India by providing equipment, food and resources.

The charity has failed to submit its annual returns to the Charity Commission for the financial years ending in March 2020 and 2021. Its accounting information for the financial years ending in 2018 and 2019 were filed 988 and 623 days late respectively. The trustees' failure to submit these accounts on time meant the charity was included in the Commission's 'double defaulter class inquiry', during which they were clearly informed of the legal requirements to submit the charity's accounting information.

In February 2021, the Commission issued the trustees with advice and guidance on completing the charity's accounts, and informed them that it intended to monitor their actions regarding the filing of the outstanding financial information. Despite this, the trustees defaulted on their legal duty to submit annual returns for the financial years ending in March 2020 and 2021.

On 8 June 2022, the Charity Commission therefore opened a statutory inquiry, which will examine the extent to which the trustees have:

- complied with their statutory reporting duties including the submission of the charity's annual reports and accounts to the Commission
- complied with an order of the Commission under section 84
- acted in accordance with their legal duties and been responsible for misconduct and/or mismanagement in the administration and management of the charity

The regulator may extend the scope of the inquiry if additional regulatory issues emerge.

It is the Commission's policy, after it has concluded an inquiry, to publish a report detailing what issues the inquiry looked at, what actions were undertaken as part of the inquiry and what the outcomes were.

**ENDS**

### **Notes to editors**

1. The Charity Commission is the independent, non-ministerial government department that registers and regulates charities in England and Wales. Its purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society.

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## **[Help shape the future coastal defences at Yaverland and Shanklin](#)**

Press release

Residents and visitors on the Isle of Wight are being encouraged to share their views on the coastal frontages at Shanklin and Yaverland.



Shanklin Esplanade, Isle of Wight 2022

The Environment Agency, in partnership with the Isle of Wight Council, are working together alongside industry experts to reduce the risk of flooding and coastal erosion to over 600 properties in Shanklin and Yaverland.

Both projects are still in the development stages, so gathering what people value most about these important coastal frontages now is invaluable.

Nick Gray, Environment Agency's Flood and Coastal Risk Manager for Solent and South Downs Area, said:

This is a critical time for residents and businesses to get involved and have their say on the future of flood protection at Yaverland and the coastal erosion at Shanklin Esplanade.

The project team is seeking people's thoughts on the potential opportunities to improve the natural and built environments as part of the schemes. Feedback will help to develop the plans before further public consultation takes place in Spring 2023.

The questionnaires can be found on Environment Agency Citizen Space here: [Isle of Wight Coastal Defence Schemes Information Page](#)

Cllr Jonathan Bacon, cabinet member responsible for the environment, said:

These projects are the first of several schemes we will be developing to help communities become more resilient to climate change and the risks of flooding. They aim to ensure a sustainable future for the coastal frontages at Shanklin and Yaverland that current and future generations can enjoy.

We would encourage anyone who uses or has an interest in these areas to have their say so that we can capture the public's early ideas, concerns, and recommendations.

The closing date for responses is Sunday 31 July 2022 for Shanklin and Wednesday 31 August 2022 for Yaverland. Paper copies can also be found within Shanklin and Sandown libraries.

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