School trip cancellations

Work undertaken by the Government Actuary's Department (GAD) has supported parts of the education system, as the country continues to recover from the pandemic.

We have worked with the Department for Education (DfE) as it looked to help schools and academies, which are members of the <u>Risk Protection Arrangement</u> (RPA).

These educational establishments were seeking to cover losses arising from school trip cancellations due to COVID-19.

Commercial insurance alternative

The RPA is a mechanism through which the costs of risks are covered by government funds. It provides an alternative to commercial insurance for schools across England.

It includes coverage for losses arising from property damage and business interruption, employers' liability, public liability, and travel for domestic and overseas trips.

Since the start of the pandemic, most school trips were cancelled due to COVID-19 restrictions. DfE and HM Treasury decided that the RPA should continue covering losses arising from domestic and overseas travel cancellations, despite the uncertainty caused by the pandemic.

GAD's involvement

As part of ongoing analytical and strategic support for the RPA, we helped build and review a model which estimates the value of trips cancelled due to COVID-19.

The model looks at how long this period of uncertainty might be and approximates the ultimate frequency and cost of potential claims arising from travel cancellations.

The analysis included multiple scenarios which evolved as more data was acquired. The results from the model have been used to inform decisions made by senior leaders at DfE and at HM Treasury and help inform RPA's future planning.

Spending profiles

The GAD team continues to support this modelling. We are building in allowances in our regular provisioning exercise for a potential re-emergence of COVID-19 over the next couple of years. This allowance for COVID-19 re-emergence has been estimated by analysing expected spending profiles in the

future.

GAD actuary Sam Davies has been involved with the analysis. He said: "Almost three-quarters of academies in England and an increasing number of local authority schools are signing up to the RPA.

"As part of our work, we will re-examine the data and information regularly. We have built in allowances and have made bespoke adjustments to the calculations.

"This is to help the RPA get a clearer understanding of what could happen and to plan for the impact of further COVID-cancellation claims in the future."

<u>Legislation to ensure fairness for</u> <u>pensioners and taxpayers</u>

Press release

Following unprecedented fluctuations to earnings caused by the COVID-19 pandemic, the government has today announced legislation to set aside for one year the use of average earnings growth figures for State Pensions up-rating.



In taking this decision, the government has carefully considered the fairest approach for both pensioners and younger taxpayers.

This legislation will ensure pensioner incomes still receive a significant boost, uprating by the higher of inflation or 2.5%.

The growth in earnings is estimated to be between 8% and 8.5%. This would mean a difference of around £4 or 5 billion in basic and new State Pensions expenditure in 2022/23, when comparing with the higher of 2.5% or expected price inflation.

Younger people have been hit hardest by the financial impacts of the pandemic, and the artificial inflation of pensioner incomes at this time

would be out of kilter with the pressures being experienced by the rest of the population.

This makes sure pensioners' spending power is preserved and they're protected from higher costs of living.

But will also ensure that as we are having to make difficult decisions elsewhere across public spending — including freezing public sector pay — pensioners are not unfairly benefitting from a statistical anomaly.

This new legislation is a one-year response to exceptional circumstances and the government plans to return the earnings element of the Triple Lock next year.

Since 2010, the full yearly basic State Pension has increased by over £2,050 in cash terms.

Media enquiries for this press release — 0115 965 8781

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<u>Annual review of State Pension and</u> Industrial Death Benefit rates

With permission, Madam Deputy Speaker, I will make a statement on the annual up-rating of State Pensions and survivors' benefits in Industrial Death Benefit.

Each year, as the Secretary of State for Work and Pensions, I am required to undertake a review of certain benefit and pension rates in relation to the general level of earnings.

And just as happened last year, this year I anticipate an unusual change in earnings due to the effects of the Covid pandemic. The unprecedented but necessary COVID restrictions we introduced last year protected lives, especially the most vulnerable, many of whom are pensioners, and protected the NHS. But these restrictions caused disruption to the economy, including preventing many people from working, wages falling and sadly many people being made redundant.

As we sought to protect lives, so we sought to protect livelihoods. And to mitigate the worst impacts, we introduced a £407 billion package of support, including the furlough and self-employment schemes to support incomes. Nevertheless, last year we saw earnings fall by one percentage point. In

response, we legislated to set aside the earnings link, allowing me to award an uprating of 2.5% as this was higher than inflation. If we had not done this, State Pension would have been frozen. Thanks to our vaccination programme which started with the eldest and most vulnerable in our society, we have seen that as the economy and businesses have reopened and millions have moved off furlough and returned to work, the labour market has shown strong signs of recovery and earnings have risen at an unprecedented rate and we face a distorted reflection of earnings growth.

The latest ONS figures from August show an increase in average weekly earnings of 8.8%, compared to the same time last year. Confirmed figures will be published next month, but we expect growth of 8% or more for May to July 2021 — the relevant period earnings are taken into account as part of my uprating review.

This year, as restrictions have lifted and we experienced an irregular statistical spike in earnings over the uprating review period, I am clear that another one-year adjustment is needed.

So tomorrow, I will introduce The Social Security (Up-rating of Benefits) Bill. For 2022/23 only, it will ensure the basic and new State Pensions increase by 2.5% or in line with inflation, which is expected to be the higher figure this year. And as happened last year, it will again set aside the earnings element for 2022/23, before being restored for the remainder of this Parliament.

This will ensure pensioners' spending power is preserved and protected from higher costs of living. But it will also ensure that as we are having to make difficult decisions elsewhere across public spending — including freezing public sector pay — pensioners are not unfairly benefitting from a statistical anomaly.

At a time when we have made tough decisions to restore the public finances which have impacted working people — such as freezing income tax personal thresholds at current levels — this would not be fair. Setting aside the earnings element is temporary and only for one year. This means we can and will apply the Triple Lock as usual from next year for the remainder of this Parliament, in line with our manifesto commitment. While the earnings growth is a welcome sign of the country's overall economic recovery, given the unique and exceptional events of the past 18 months, this year's measure is being skewed and distorted, reflecting a technical and temporary period of reverting or rebounding earnings — the differing cohorts of people who were retained or made redundant.

As a result, the earnings measure is a statistical anomaly and is not a 'real life' basis for considering this year's uprating of State Pensions.

As other commentators have said, for example, the Institute for Government: "The figure for earnings growth is distorted... the increase is artificially high because so many workers were furloughed last year". The Social Market foundation also endorses my proposal stating: 'The Triple Lock should be replaced with a double lock...pensions would still rise, but less quickly,

reducing the fiscal burden on the working-age population'.

In addition to those receiving basic and new State Pensions, this will apply to those receiving Standard Minimum Guarantee in Pension Credit and widows' and widowers' benefits in Industrial Death Benefit. The Bill will not extend to other benefits which are linked to prices, which I will review under the existing legislation, as I did last year.

Madam Deputy Speaker, this government is committed to ensuring that older people can enjoy their retirement with security, dignity and respect — and that those who have worked hard and put in for decades can be confident that the state will be there to support them when they need it.

Since 2010, the full yearly basic State Pension has increased by over £2,050 in cash terms. There are also 200,000 fewer pensioners in absolute poverty — both before and after housing costs — than in 2009/10.

I am proud of our record on support for pensioners and of the action we took last year to ensure that pensioners' incomes continued to increase, despite falling earnings among working-age taxpayers.

Our recovery is based on the principles of fairness and sustainability as we level up opportunities across the country, invest in jobs, skills and public services, while repairing the public finances.

This is the fair and reasonable course of action given the temporary statistical anomalies in earnings we have seen this year as a result of unprecedented interventions in the economy and the labour market.

I commend this statement to the House.

<u>Deadline approaches for antique</u> <u>firearms law change</u>

Owners of certain firearms previously regarded as antique will be required to obtain a licence following a change in the law, which comes fully into effect on 22 September.

The changes are aimed at protecting the public by making it harder for criminals to get their hands on these types of weapons.

Earlier this year, the government changed the law to introduce for the first time a <u>legal definition of antique firearms</u>.

From Wednesday 22 September 2021, owners will require a licence to own any firearm not meeting the criteria. Due to their use in crime, seven cartridges which previously appeared in the Home Office's guidance were not included in

the new legal definition. This means all firearms chambered for use with these cartridges will require a licence from 22 September.

The UK has some of the strictest gun control legislation in the world and comparatively low levels of gun crime. These changes will help to further restrict access of criminals to firearms and better protect the public.

Minister for Policing and Crime, Kit Malthouse, said:

Criminals have been exploiting a grey area in the law to get their hands on these firearms, so this change will make our streets safer and ensure these potentially deadly weapons do not end up in the wrong hands.

There are of course legitimate reasons for owning a firearm that is an antique or was previously regarded as an antique, and their owners are not involved in any wrongdoing. They may be owned by a collector or as a family heirloom, for example.

I would urge anyone who owns one of these weapons to check what is required and either licence them or legally dispose of them to ensure they do not fall foul of the law.

National Police Chiefs' Council lead for firearms licensing, Deputy Chief Constable Dave Orford, said:

We welcome the changes to legislation around antique firearms. These measures will help officers to seize more dangerous weapons and deal with those intent on using them to cause harm and suffering.

I urge anyone who owns a firearm that they have previously believed to be antique and exempt from licensing to check whether it now needs to be licensed, and if so, to contact their local police force to facilitate this.

Anyone wishing to dispose of a firearm can hand it in to their nearest police station. If people suspect others of keeping an illegal firearm, they can report it via 101 or Crimestoppers.

Christian Ashwell, Criminal Firearms Threat Lead at the National Crime Agency, said:

Criminals gaining access to these seven calibres of self-contained cartridge revolver has led to their use in shootings across the UK, resulting in serious injuries and in some cases death.

In response, the NCA has collaborated with the Home Office, policing partners and the lawful shooting communities to deliver

these changes in regulation, to protect the public from future harm.

The risk posed by the criminal use of firearms remains high in the UK and so disrupting the supply of illegal firearms is a top priority for the NCA and our law enforcement partners.

Protecting communities from this threat cannot be achieved by law enforcement action alone. Continued public support is key and we encourage anyone with information about illegally held firearms to contact Crimestoppers or their local police.

The seven cartridges which previously appeared in the Home Office guidance but which have been omitted from the equivalent list in the 2021 Regulations and which will therefore require a licence to be legally-held from 22 September are:

- .320 British (also known as .320 Revolver CF, short or long)
- .41 Colt (short or long)
- .44 Smith and Wesson Russian
- .442 Revolver (also known as .44 Webley)
- 9.4mm Dutch Revolver
- 10.6mm German Ordnance Revolver
- 11mm French Ordnance Revolver M1873 (Army)

The law on antique firearms changed on 22 March but owners were given 6 months to decide whether to apply for a firearms certificate if they wanted to keep their firearm, or to otherwise dispose of it (for example, surrendering them to the police or selling them).

Section 58 of the Firearms Act 1968 and the Antique Firearms Regulations 2021 set out in law which firearms can be regarded as antique, and therefore are exempt from licensing. The definition closely follows the model used previously in Home Office guidance and will therefore be familiar to collectors, dealers and museums.

To be regarded as an antique, a firearm must:

• have been manufactured before 1 September 1939, and

- either have a propulsion system of a type specified in the 2021
 Regulations (for example, muzzle loaders, pin-fire or needle-fire) or
 the chamber(s) are those that the firearm had when it was manufactured
 (or a replacement that is identical in all material respects) and it is
 chambered for use with a cartridge specified in the 2021 Regulations,
 and
- be sold, transferred, purchased, acquired or possessed as a curiosity or ornament.

People who possess such firearms can apply to their local police firearms licensing department to retain them on a firearms certificate. Applications must be made before the transition period ends at 23:59 on 21 September 2021. As long as a person has applied for a firearm certificate, they will remain in lawful possession of their firearm even if their application remains outstanding or is the subject of an outstanding appeal when the transition period ends.

Should a firearm meet the criteria for a historic handgun under section 7 of the Firearms (Amendment) Act 1997, the owner can apply for a certificate on this basis.

If the owner of a firearm that no longer falls within the definition of antique firearm chooses not to licence it, they will need to otherwise dispose of it before the transition period ends. Disposal could include selling, exporting or deactivating the firearm, donating it to a museum or surrendering it to the police. To enable this, owners will be able to freely sell or transfer the firearm to another collector or to a museum without requiring a firearm certificate, section 5 authority or a museum firearms licence. Owners can also sell or transfer the firearm to a dealer, but only one who is registered with the police and who has a section 5 authority. In all cases, the new owner must then apply to the police for a firearm certificate or museum licence in respect of the firearm before the transition period ends.

Dealers will be able to sell or transfer such firearms, which they already own, before 23:59 on 21 September 2021 without being registered with the police and without holding a section 5 authority. However, they need to be registered and hold a section 5 authority before they can purchase or acquire any such firearms.

Museums can also sell or transfer such firearms freely until the transition period ends. Where a museum purchases or acquires such firearms, they must apply before the deadline for either a museum firearms licence (with the authority of the Secretary of State or Scottish Ministers to possess any which are prohibited weapons) or a firearm certificate.

Further details about the changes to the law are set out in a HO circular.

Next phase of government project to map the UK's underground pipes and cables launched

The Government launched the next phase in the building of a digital map of underground pipes and cables today, as the country moves a step closer to revolutionising construction and development in the UK.

The National Underground Asset Register (NUAR), is now entering the Build Phase of the project. Cabinet Office Minister, Lord True CBE, and Mayor of Tees Valley, Ben Houchen, visited industry representatives and asset owners in Darlington for the launch to discuss the current challenges that NUAR will help address.

Over four million holes are dug in the UK each year, many in the wrong place. The economic cost of accidental utility damage is around £2.4 billion each year. Unforeseen ground conditions are a major obstacle to all construction and housing projects, especially on previously developed land. The new digital map of underground pipes and cables will help improve efficiencies in construction and development, reduce disruption and improve workers' safety.

NUAR forms part of the Government's efforts to build back better and greener, with tangible benefits, and speed up the delivery of housing and infrastructure projects from design to build. Fast access to this data will save utilities companies and local authorities time and money, and reduce the disruption caused in trying to fix leaks and put in new infrastructure.

Lord True CBE, Minister of State at the Cabinet Office, said:

I am delighted to launch the build phase of the UK's new National Underground Asset Register. This new digital map of the UK's underground utilities assets demonstrates our commitment to putting innovation at the forefront of the UK's economic recovery and ambition to Build Back Better.

The digital map will be built in partnership between industry and government over the next three years, starting in the North East of England, Wales and London. The platform will enable critical and local services, such as gas, water, electricity and telecommunications, to be efficiently maintained and delivered to homes and businesses via the web of cables, pipes and ducts currently beneath our streets.

As the UK government continues to work with local partners in the North East of England on a number of projects, it further demonstrates the integral role

the region is playing in utilising the expertise available in all corners of the UK and building on the nation's levelling up agenda.

Nigel Clifford, Deputy Chair of the Geospatial Commission, said:

Unlocking value from geospatial data is the heart of the UK's Geospatial Strategy. Our National Underground Asset Register will be a momentous step towards providing the UK with a shared national data asset of significant value. I am proud of the collaboration with industry that we have so far established as part of our preparatory work and look forward to it continuing.

Ben Houchen, Mayor of Tees Valley, said:

I am absolutely delighted that this innovative new map of what lies beneath our feet is being launched and rolled out in Teesside. This new service will mean less mistakes are made when digging holes and less disruption to local people. Across Teesside, Darlington and Hartlepool we're making huge strides; we are transforming northern Europe's biggest brownfield at Teesworks creating thousands of jobs and transforming our economy to a greener future, and this new map will be incredibly helpful.

If you have any questions about the project, and in particular if you are an owner or operator of buried assets, please get in touch via geospatialcommission@cabinetoffice.gov.uk.

Editor's notes:

- 1. The Geospatial Commission will be working with the Welsh government, Tees Valley Combined Authority and Greater London Authority to deliver this programme. As Scotland already benefits from a system of this kind in the Scottish Road Works Register, deployment is currently planned for England, Wales and Northern Ireland. The Geospatial Commission will continue to work closely with colleagues in the Scottish government on future developments.
- 2.The economic cost of accidental strikes on underground pipes and cables is estimated to be £2.4 billion per year and one cause is inaccurate information on the location of buried assets. Once operational, NUAR is expected to deliver around £350 million per year in benefits by avoiding accidental asset strikes, improving the efficiency of works and better data sharing.
- 3.Following a competitive procurement round, the Geospatial Commission appointed Atkins to deliver the Build Phase of NUAR. This phase consists of building a production minimal viable product for the North East of England, Wales and London, then enhancing and rolling it out to the remaining regions in England and to Northern Ireland.