[Stolt Groenland report published]

News story

Cargo tank explosion and fire on board a chemical tanker in Ulsan, Republic of Korea.

Today we have published our investigation report on the rupture of a cargo tank containing styrene monomer on board the Cayman Islands registered chemical tanker Stolt Groenland on 28 September 2019. The large quantity of vapour released as a result of the catastrophic rupture subsequently ignited, resulting in a fireball. Two crew were injured and fire fighting efforts lasted over 6 hours, with 15 emergency responders also sustaining injuries during the emergency response.

The report contains details of what happened, actions taken and recommendations: [read more].

The investigation was carried out on behalf of the Cayman Islands and is the first investigation report we have published as part of our [Memorandum of Understanding] with the Red Ensign Group Catergory 1 registries of Bermuda, Cayman Islands, Gibraltar and the Isle of Man.

Published 20 July 2021

[SMC calls for children to be put centre stage of pandemic recovery]

The Social Mobility Commission today calls for a shake-up of child welfare benefits and significant investment in education to put disadvantaged children and young people at centre stage of the government’s recovery plan.

Its State of the nation report 2021, published today (20 July 2021), unveils in detail the devastating impact of coronavirus (COVID-19) on the UK’s four nations and warns that this will be felt for decades. Attainment gaps between disadvantaged and privileged children at school are already widening and young people from poorer backgrounds have been more likely to lose paid work than better off peers, it shows.

The government, employers and educators have to act now to rescue the next generation from decades of hardship and they should start by ending child poverty, says the Commission. Almost one in three children (4.3 million) is now in child poverty, 700,000 more than 2012, the report reveals. The organisation argues that the poorest families and their children have suffered most during the last 18 months and should be helped first.

The SMC points out that the UK government dug deep to provide billions of pounds for furlough schemes and help for business and should now dig deep again to take the same decisive action to tackle inequality and improve social mobility.

The Commission, an independent body which advises the UK government, proposes removing the two-child limit in Universal Credit and child tax credit, so larger families are not penalised. It also suggests raising each child payment covered by Universal Credit by at least £10 per week to help the poorest families and increasing child benefit by the same amount.

The £14 billion package would lift 1.5 million children out of poverty as well as helping many more out of deep poverty. But the Commission also proposes a range of other measures to help disadvantaged families including: extending early years’ child care; additional funds for school children in long term poverty; a student premium for 16-19 disadvantaged students; greater digital access; and three million more social houses.

It recognises that hard choices have to be made but insists that extra taxation should be levied only on those who can afford to pay.

The Commission has outlined seven key pillars for recovery with detailed recommendations covering: geography and local power; poverty and living standards; early years; education; apprenticeships and adult skills; digital access; and work and career progression.

The SMC also urges the UK government to put social mobility and these recommendations at the heart of its levelling up agenda. The Commission has frequently highlighted the importance of tackling geographical inequalities and supports the UK government’s focus on this. But it wants to ensure that levelling up is as much about investment in people as it is about infrastructure.

Together the recommendations, drawn from the SMC’s work for the last three years, sum up what Commissioners believe are the most important levers to boost social mobility in the years ahead.

Sandra Wallace, interim Co-Chair of the SMC, said:

> Now is the time to take action and we must not shy away from difficult decisions. Now is the moment to level up opportunities for children across the country. Ending child poverty and investing significantly in education are two of the most impactful and influential things the UK government can do to improve social mobility.

Steven Cooper, interim Co-Chair of the SMC, added:

> A recovery programme presents a chance to put social mobility at the top of the agenda, but it will have to be a group effort. It will require commitment from government, employers, educators and local leaders to ensure young people have greater access to opportunities from school to employment.

Key recommendations include:

- end two child limit for Universal Credit so larger families are not penalised
- raise Universal Credit child payments and child benefit by at least £10 per week per child
- expand eligibility for entitlement for 30 hours free childcare per week to all families
- extra funding for pupil premium to reflect long-term disadvantage
- a student pupil premium for disadvantaged 16-19 year olds
- employability and life skills teaching mandatory at school end-of-year after GCSE’s and A levels
- affordable access to digital devices and networks by ring-fencing a portion of the digital infrastructure budget
- tailor the apprenticeship levy more effectively for disadvantaged trainees
- greater powers for metro mayors to address geographical inequalities
- build 3 million social homes in next 20 years
- draw up measures to track social mobility progress over next 30 years

Key findings from the four nations include:

England

30% of children in England live in poverty, a much higher rate than Scotland or Northern Ireland, but similar to Wales. By autumn 2020, disadvantaged children in primary schools were seven months behind their more advantaged peers. This included an extra one month of learning loss during the start of the pandemic.

Northern Ireland

Qualification levels, wages, the proportion of high-paid jobs, the rate of job creation and new start-up growth are all lower in NI than the UK average. 25% of jobs pay less than the real living wage of £9.30. The unemployment rate, estimated at 3.7% has remained below the UK average since 2017. Almost a third (31.4%) were long term unemployed and more than one in ten (10.7%) were young adults aged 16-24.

Scotland

Scotland was the first UK nation to introduce a socio-economic duty and has more generous child poverty policies than the UK government. But it has no explicit social mobility strategy and social mobility outcomes have not yet shifted, despite lower rates of child poverty than other nations. Entitlements such as free university may be benefitting the more advantaged and leaving fewer resources to support disadvantaged people.

Wales

The Welsh government has prioritised raising standards in education and invested in early years, but there has been limited progress in closing the attainment gap. The gap between the proportion of free schools meals and non-FSM pupils who receive a good standard at GCSEs has remained the same since 2007, at around 32 percentage points. But Wales has introduced a socio-economic duty.

Government announces simplified tax reporting for self-employed and small businesses

- Self-employed and small businesses are set to benefit from simpler tax reporting rule
- New measures to clamp down on promoters of tax avoidance, including supporting taxpayers to steer clear and HMRC shut-down powers
- Research published on Making Tax Digital highlights benefits for VAT-registered businesses

The changes, which will come into force by 2023 and have been drawn-up alongside representatives of small businesses, will mean businesses will be taxed on profits arising in a tax year, rather than profits of accounts ending in the tax year. It should help them spend less time filing their taxes – aligning the way self-employed profits are taxed with other forms of income, such as property and investment income.

Financial Secretary to the Treasury Jesse Norman said:

> These complex rules lead to thousands of errors and mistakes in self-employed tax returns every year.
>
> Simplifying them will allow self-employed people to spend less time doing tax admin and more time growing their business and creating jobs.

Under the current system, tax returns filed by the self-employed, sole traders and partnerships are based on a business's set of accounts ending in the tax year (5 April). More complex rules apply when a business starts and draws up its accounts to a date different to the end of the tax year.

In those cases, taxpayers pay tax for their first tax year on the period to the end of the tax year, and then in subsequent years on the basis of their full accounting year, meaning profits are taxed twice and complex rules apply to relieve the double taxation when the business finishes.

These rules can be confusing to understand, particularly for new businesses, leading to thousands of errors and mistakes in tax returns. More than half of those affected do not claim relief they are entitled to and could pay tax twice.

The new system is easier for businesses to understand and will prevent thousands of errors every year.

The announcement comes as a number of documents are published by the government today, including draft legislation for the Finance Bill 2021-22 for technical consultation.

As part of this, the government has today also confirmed plans to make changes to the tax system to make the UK a more attractive location for asset holding companies (AHCs), which are used by certain types of funds. A response to the second stage AHCs consultation, which sets out the detail of the proposed regime, has been published, as well as draft legislation.

As part of today's announcements, the government is also delivering on its commitment to help protect UK taxpayers through clamping down on promoters of tax avoidance schemes. The package of measures announced today will be legislated for in the next Finance Bill (2021/22), and will:

- Tackle offshore promoters through hitting any associated UK entity with harsh penalties

- Support taxpayers to steer clear of tax avoidance schemes, or get out of tax avoidance quickly, by giving taxpayers more information on the false reality of what is being sold to them

- Clamp down on promoters who dissipate or hide their assets, by ensuring HMRC can protect its position and secure a promoter’s assets to pay any relevant penalties

- Give HMRC tougher powers to shut down promoters that continue to promote schemes and sidestep the rules designed to restrict their activities and stop them from setting up similar businesses

A report on Making Tax Digital (MTD) for VAT-registered businesses has also been published by the government. The research, conducted externally, highlights positive developments in record-keeping behaviour and on the benefits MTD can deliver and is delivering for businesses.

Further information

For a full list of announcements from today’s Legislation Day please see the Written Ministerial Statement here (https://questions-statements.parliament.uk/written-statements/detail/2021-07-20/hcws204).

In line with the Tax Policy Making framework, the government is publishing draft legislation to be included in Finance Bill 2021-22. This allows for technical consultation and provides taxpayers with predictability over future tax policy changes. The consultations on the draft legislation will run until 14 September, with measures included in the next Finance Bill.

The government is committed, where possible, to publishing most tax legislation in draft for technical consultation before the relevant Finance Bill is introduced into Parliament. This allows for transparent scrutiny of tax measures, giving greater certainty and stability to taxpayers.

Further information on Basis Period Rules and reform:

Overlap relief is normally given when a business changes its accounting date or stops trading, if two of its basis periods have overlapped in the past.

The current system is more complex for some businesses, as the time period of their accounts is different to the tax year. The reform will mean businesses pay tax on profits in the tax year they actually occur.

Example: A business draws up accounts to 30 June every year.

Currently, income tax for 23/24 would be based on the profits in the business’s accounts for the year ended 30 June 2023.

Our proposed reform would mean the income tax for 23/24 would be based on:

3/12 of the income for the y/e 30 June 2023, plus 9/12 of the income for the y/e June 2024

The change announced today aligns with the government’s plans to provide self-employed business owners with a more modern, digital, integrated service through the implementation of Making Tax Digital (MTD) for Income Tax. This will help reduce errors and ensure self-employed businesses get their tax right first time.

The change to the time periods against which businesses report their tax will also reduce the number of times those with several sources of income will need to report their income under MTD for Income Tax.

[Secretary of State for Defence Ben Wallace meets Japan’s Prime Minister and Defence Minister]

World news story

During a two-day visit to Japan, Secretary of State for Defence Ben Wallace met with Japan’s Prime Minister Suga and Defence Minister Kishi and reaffirmed the UK and Japan’s shared values and close partnership in defence and security ahead of the visit of the UK’s Carrier Strike Group to Japan in September.

In his meeting with Prime Minster Suga, the Secretary of State emphasised the UK and Japan’s common strategic interests, their commitment to stability in the region and a free and open Indo-Pacific.

During a joint press conference with Defence Minister Kishi, the Secretary of State announced the Japanese ports that elements of the Carrier Strike Group will be visiting. They will be Sasebo, Okinawa, Kure, Yokosuka, and Maizuru.

Speaking to media on Monday the Secretary of State also emphasised the robust Covid-19 infection prevention and control measures on board the Carrier Strike Group. This will ensure the visit to Japan will be safe, secure and productive.

Following on from the Carrier Strike Group's inaugural deployment, the UK will permanently assign two offshore patrol vessels to the Indo-Pacific region from later this year. It will also contribute a Littoral Response Group (LRG) in the coming years, thereby demonstrating the UK's commitment to collective defence and security in the region in the decades ahead.

The Secretary of State was accompanied Admiral Antony Radakin, First Sea Lord, and Air Chief Marshal Michael Wigston, Chief of Air Staff. During the visit the Secretary of State and delegation met with senior leadership from the Japanese Self Defence Forces and the U.S Forces in Japan.

Secretary of State for Defence, Ben Wallace said:

> The UK's defence relationship with Japan is the closest it has been in the last century.
>
> Following exercises with the Japan Maritime Self Defence Force in the Gulf of Aden and in the waters off Japan, the upcoming visit of the UK-led Carrier Strike Group to five ports across the country is a clear demonstration of our commitment to maintaining regional security and upholding the rules-based international order with Japan.

Julia Longbottom, British Ambassador to Japan said:

> The visit to Japan by senior members of the UK's armed forces and the Secretary of State represents the ever closer partnership between Japan and the UK and our commitment to peace and stability in the Indo-Pacific region. The UK is committed to working with Japan to support regional stability and to meet shared global challenges, such as cyber security, combatting global pandemics and ensuring the global systems that promote the free flow of trade and knowledge are strengthened and defended.

ENDS

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New £375 million scheme to drive investment in innovative firms of the future opens for applications

- £375 million Future Fund: Breakthrough opens for applications to help high-growth, R&D intensive companies bring game-changing technologies to market

- The government will co-invest with private investors to help scale-up innovations across UK industries including life sciences and clean technology – driving economy and creating jobs

- Chancellor Rishi Sunak will convene a landmark Treasury Connect conference in London later this year to bring together CEOs of the UK's biggest tech firms and investors.

Under the UK- wide Future Fund: Breakthrough scheme the government will commit £375 million of funding to fast-growing firms looking to raise at least £30 million of investment. To be eligible, businesses must have commitments of 70% of an investment round from private investors with a track record of financing innovative companies – such as venture capitalists.

The scheme will span across the UK's world class industries including life sciences, quantum computing and clean technology and accelerate the deployment of breakthrough innovations that could solve some of society's greatest challenges – from developing life-saving new medicines to technologies that support the UK's transition to net zero. It is part of the government's multibillion-pound investment in research and development to help build a future economy, create skilled jobs and cement the UK's status as a scientific superpower.

In addition, the Chancellor Rishi Sunak today announced that he will host a Treasury Connect tech conference in East London in September to bring together the CEOs and senior leaders of the UK's biggest tech firms and investors.

The Chancellor of the Exchequer Rishi Sunak said:

> Our Future Fund: Breakthrough scheme will enable innovative businesses in every corner of the UK to access the finance they need to scale up and bring their transformational technologies to market – all while creating high-skilled jobs and boosting the economy as part of our Plan for Jobs.

> Technology and innovation will be at the heart of our future economy which is why we are investing billions in R&D to help cement our status as a world-leader in this field.

> Above all, our investment will incentivise collaboration between our most ambitious entrepreneurs and private investors, helping to commercialise breakthrough products such as new medicines and green technologies that could change our lives for the better – all while creating high-skilled jobs that help boost the UK economy.

Business Secretary Kwasi Kwarteng said:

> The support we have provided over the past year is not only helping firms to survive the pandemic, but also driving the growth and jobs of the future, making the UK a global innovation powerhouse.
>
> The original Future Fund was a tremendous success in helping cutting-edge firms to get the fuel in the engine they need to really motor forwards, and we are building on that with the fresh Future Fund: Breakthrough scheme.

Due to high research and development costs, breakthrough technology companies typically require more capital over longer time periods than other companies to bring their products to market.

The UK’s most innovative companies are key drivers of future growth and it is estimated that 1% growth in these firms could grow the UK economy by £38 billion.

In March 2020, the government introduced the Future Fund which successfully supported the high-growth sector during the pandemic so that its potential was not subdued. This scheme provided more than £1 billion of convertible loans to 1,190 businesses to help them through the pandemic.

The government is supporting innovative companies through the Plan for Growth, which includes the Future Fund: Breakthrough, the forthcoming Innovation Strategy and £14.9 billion of spending on research and development, the highest level for four decades.

Further information

- Future Fund: Breakthrough was announced at Budget 2021 and will be delivered by the government’s British Business Bank, via its subsidiary British Patient Capital. The Government has already committed over £1.3bn to a growing portfolio of now over 500 high-growth innovative firms through British Patient Capital

- It will be open for applications on a rolling basis to R&D intensive companies with well- established UK operations

- For more information on eligibility and criteria please see [the British Business Bank]

- Future Fund: Breakthrough is separate from the government's Future Fund, now closed to new applications, which was launched in April 2020 to address the immediate funding challenge that innovative, equity backed, UK companies faced due to Covid-19

- Future Fund: Breakthrough will ask lead investors to sign the Treasury's Investing in Women Code, which commits firms to improving female entrepreneurs' access to tools, resources and finance

- During the pandemic, the Chancellor facilitated over £2 billion of investment through the Future Fund to ensure that high-growth firms were not negatively impacted by the pandemic as part of the £350 billion Plan for Jobs

- As announced at the Budget in March, our Innovation Strategy will set out the steps government will take to boost innovation in the UK

- Government spending on R&D in 2021 to 2022 is £14.9 billion, its highest level in four decades, demonstrating progress towards our target to increase total public and private R&D investment to 2.4% of gross domestic product (GDP) by 2027

- We are investing more money than ever before in core research, in line with the announcement at the Spending Review in November 2020 that government will increase investment in core UKRI and National Academy funded research by more than £1 billion by 2023 to 2024

- To bring it all together we're doubling public funding in R&D to £22bn so that UK scientists have access to more funding than ever before.