



IFoA Briefing: 2021 Queen's Speech

This briefing summarises the key legislative proposals, relevant to the work of actuaries, for the next parliamentary session, as announced at the Queen's Speech on Tuesday 11 May 2021. In a nine-minute speech in the House of Lords marking the State Opening of Parliament, Her Majesty highlighted 30 laws that ministers intend to pass in the coming year. This includes a number of bills carried over from the previous "session" of Parliament, which ended in April. It also includes a number of bills included in past Queen's Speeches.

About the IFoA

The Institute and Faculty of Actuaries (IFoA) is a royal chartered, not-for-profit, professional body. We represent and regulate over 30,000 actuaries worldwide, and oversee their education at all stages of qualification and development throughout their careers.

Social Care Reform

"We will bring forward proposals for social care reform in 2021 to ensure that every person receives care that provides the dignity and security they deserve."

Despite the pressures facing the health and social care system - largely driven by the UK's changing demographics - the Government did not commit to any legislation on social care funding reform in this parliamentary session. Instead, it intends to bring forward proposals by the end of this calendar year.

The onset of Covid-19 has put further economic strain on an already struggling care sector. Although short-term funding has been made available by central Government to offset some of the additional costs, many care providers and local authority services remain under severe financial pressure. The strains are compounded by falling occupancy levels in care homes from excess deaths, practical restrictions on new admissions and reduced demand for residential care.

The entire sector urgently needs more funding, and long-term, sustainable cross-party political agreement is a necessary prerequisite in this area, however hard to achieve.

Climate Change, Net Zero and COP26

"My Government will invest in new green industries to create jobs, while protecting the environment. The United Kingdom is committed to achieving net zero greenhouse gas emissions by 2050 and will continue to lead the way internationally by hosting the COP26 Summit in Glasgow."

The Government is seeking to use its presidency of COP26 to galvanise ambitious global action on climate change. The UK intends to become the first major economy to legislate for net-zero by 2050 through the Environment Bill, which will set legally binding targets on emissions and measures aimed at restoring nature and biodiversity. The establishment of an independent Office for Environmental Protection is part of those measures too.

The Prime Minister's Ten Point Plan for a Green Industrial Revolution sets out how the Government aims to 'build back better' whilst supporting green jobs and accelerating the UK's path to net zero. Using £12 billion of public money, and potentially three times as much from the private sector, the plan aims to create and support up to 250,000 green jobs compatible with the UK's net zero future. A forthcoming Net Zero Strategy will set out the Government's vision for transitioning to a net zero economy by 2050.



Dormant Assets

Legislation will support the voluntary sector by reducing unnecessary bureaucracy and releasing additional funds for good causes [Dormant Assets Bill, Charities Bill].

The Queen's Speech included plans to extend the existing Dormant Assets Scheme into the insurance and pensions, investment and wealth management, and securities sectors. Over the last decade, the Scheme has unlocked more than £745 million for social and environmental initiatives from dormant bank and building society accounts. The Government hopes that by enabling the focus funds to be set through secondary legislation that, over time, the Scheme is able to respond more flexibly to changing social and environmental needs.

The main benefits of the Bill including unlocking around £880 million for social and environmental initiatives across the UK while putting assets lying idle from a wider range of financial sectors to good use. It will achieve this by expanding the Scheme into new asset classes and improving consumer protection in reuniting people with forgotten money. This includes releasing £150 million to help charities, social enterprises, and individuals during the COVID-19 outbreak.

Professional Qualifications

In the UK there are over 160 professions regulated in law by over 50 regulators. The Professional Qualifications Bill will create a new bespoke framework for the UK to recognise professional qualifications from across the world, to ensure employers can access professionals where there are UK shortages. This will replace the interim system that gives preference to professional qualifications from the EU, Switzerland, Norway, Iceland and Liechtenstein.

The Bill will enable the Government to provide UK regulators with a consistent set of powers to enter into agreements with regulators overseas to recognise professional qualifications. It will also ensure there is a clearly identified set of 'priority professions' where there is demand for skills from overseas, such as nurses and teachers, thus enabling qualifications from around the world to be recognised. It is hoped that it will also support key regulated professions to attract the brightest and best talent from around the world by creating a new framework for recognising qualifications from overseas, whilst allowing regulators to continue to set and maintain high professional standards.

Other key facets of the Bill contain provisions which will enable the UK to implement its international agreements on professional qualifications and to allow regulators to enter into reciprocal agreements with their international counterparts to facilitate the recognition of professional qualifications. This will support UK professionals to deliver services in overseas markets. It will also ensure regulators have the information and flexibility they need to regulate professionals effectively who have qualified in a different part of the UK, with a view to raising public confidence in regulated professions.

Public Service Pensions and Judicial Offices Bill

Reforms to Public Service pension schemes were introduced in 2015 which, among other things, changed the schemes so that pensions are calculated on the average salary throughout an individual's career rather than their final salary. At the time the Government agreed, following negotiations with trade unions, to protect those closest to retirement, allowing them to remain in the final salary schemes. This was challenged in the Courts and found to discriminate against younger members. The purpose of the Public Service Pensions and Judicial Offices Bill is to ensure equal treatment for all members within each of the main public service pension schemes.

It will seek to reform the pension arrangements and increase the mandatory retirement age for the judiciary and to put judicial allowances on a firmer legal footing. The Bill will implement changes across all the main public service pension schemes in response to the Court of Appeal judgment in the McCloud and Sargeant cases.



Next Steps

As is customary, the Speaker of the Commons has confirmed the topics for debates in the Chamber on the Queen's Speech on a thematic basis:

- 11 May: **Debate on the Humble Address**
- 12 May: **Better jobs and fair deal at work**
- 13 May: **A brighter future for the next generation**
- 17 May: **Safer streets for all**
- 18 May: **Affordable safe housing for all**
- 19 May: **NHS and Social Care**

The Policy and Public Affairs Team will be updating members on a regular basis as these legislative proposals develop.

The IFoA's press response can be found [here](#) and a blog providing further analysis can be found [here](#).

Further Information

For more information on the IFoA's policy work, or should you wish to discuss any of the points raised in the briefing, please contact Henry Thompson, Head of Public Affairs (Henry.Thompson@actuaries.org.uk).