



IFoA Briefing: King's Speech 2024

This briefing summarises the key legislative proposals, relevant to the work of actuaries, for the new parliamentary session announced at the State Opening of Parliament on Wednesday 17 July 2024 by His Majesty the King.

Draft Audit Reform and Corporate Governance Bill

"Bills will be brought forward to strengthen audit and corporate governance..."

- With this draft bill, a revamped regulator will uphold standards and independent scrutiny of companies' accounts, as well as accountability for company directors. Requiring better transparency from large companies will help avoid company failures and protect jobs, which is central to delivering a secure economy.
- The Bill will also support long-term investment in UK companies, reduce the harm that financial reporting errors can do to businesses and communities up and down the country, and help ensure quality audits for all businesses that need it.
- Robust and rigorous scrutiny of large companies by auditors and greater transparency around their finances is essential to ensuring that investors, employees and consumers have an accurate picture of the health of the company, which in turn delivers a more secure economy.
- The draft bill will replace the Financial Reporting Council with a new regulator – the Audit, Reporting and Governance Authority – with the powers it needs to tackle bad financial reporting and to build that trust.
- This statutory regulator will form a platform for other important changes:
 - a wider remit, through extending Public Interest Entity (PIE) status to the largest private companies and thus making sure the audits of those important businesses are high quality and giving early warning of financial problems.
 - removing unnecessary rules on smaller Public Interest Entities, making life easier for important smaller businesses by cutting requirements that are disproportionate.
 - powers to investigate and sanction company directors for serious failures in relation to their financial reporting and audit responsibilities, so there are consequences for putting forward dodgy accounts.
 - a regime to oversee the audit market, protect against conflicts of interest at audit firms, and build resilience so quality audit is available to all companies that need it.

Other relevant Bills

Budget Responsibility Bill

The Bill will introduce a 'fiscal lock' which will ensure any Government making significant and permanent tax and spending changes will be subject to an independent assessment by the Office for Budget Responsibility (OBR), giving them the power to produce an assessment at a time of its choosing.

Great British Energy Bill

The Bill establishes Great British Energy – a new, publicly-owned energy production company which will own, manage and operate clean power projects. The Bill gives the Secretary of State the ability to provide Great British Energy with the financial backing needed for it to meet its aims and ambitions. The Secretary of State will be required to prepare a strategic priorities statement for Great British Energy, to ensure it focuses its efforts on Government priorities.

National Wealth Fund Bill

The National Wealth Fund (NWF) is intended to increase investment in UK businesses. It will be a key part of the Government's industrial strategy and its growth and clean energy superpower missions. The NWF will directly invest in the Government's priority sectors while taking account of local needs. It will deploy funding through the UK Infrastructure Bank, providing an additional £7.3 billion to catalyse private investment, and will aim to generate £3 of private sector investment for every £1 it invests. The

Government aims to align the UK Infrastructure Bank and the British Business Bank under the NWF, and the Bill will give the NWF statutory status.

Pension Schemes Bill

The Pensions Schemes Bill will support over 15 million people who save in private-sector pension schemes get better outcomes from their pension assets and support the Government's mission to deliver growth. Key measures in the Bill include:

- preventing people from losing track of their pension pots through the consolidation of Defined Contribution individual deferred small pension pots.
- ensuring all members are saving into pension schemes delivering value through the Value for Money framework.
- requiring pension schemes to offer retirement products so people have a pension and not just a savings pot when they stop work.
- consolidating the Defined Benefit (DB) market through commercial Superfunds.
- reaffirming the Pensions Ombudsman (TPO) as a competent court.
- amending the Special Rules for End of Life (Pension Protection Fund and Financial Assistance Scheme (FAS)).

Tobacco and Vapes Bill

The Tobacco and Vapes Bill will introduce a progressive smoking ban. Children born on or after 1 January 2009 will never be able to legally be sold cigarettes. The Bill will also stop vapes and other consumer nicotine products (such as nicotine pouches) from being deliberately branded and advertised to appeal to children. The Bill will extend UK-wide.

Skills England Bill

The Bill will establish Skills England to "bring together businesses, providers, unions, Mayoral Combined Authorities (MCAs) and national government" to improve skills capacity (in England). The objective is to simplify and improve the skills system, ensuring the supply of skills needed for the economy and breaking down barriers to opportunity. and will pave the way for the establishment of Skills England by transferring functions from the Institute for Apprenticeships and Technical Education (IfATE) and in doing so reform the apprenticeships system and the employer skills levy.

Planning and Infrastructure Bill

The Planning and Infrastructure Bill is intended to support economic growth by removing barriers in the current system. It would boost housebuilding and infrastructure delivery, including accelerating upgrades to the national grid and boosting renewable energy. The Bill will include measures to improve local planning decision making, by modernising planning committees and giving them greater authority. (The King's Speech also includes the English Devolution Bill, which will establish a standardised devolution framework to give local leaders greater powers over the levers of local growth.)

Digital Information and Smart Data Bill

The Bill will enable new innovative uses of data to be safely developed and deployed and will improve people's lives by making public services work better by reforming data sharing and standards; help scientists and researchers make more life enhancing discoveries by improving our data laws; and ensure your data is well protected by giving the regulator (the ICO) new, stronger powers and a more modern structure. These measures start delivering on the Government's commitment to better serve the British public through science and technology. This will include harnessing the power of data for economic growth; establishing Digital Verification Services, developing a National Underground Asset Register, a new digital map; setting up Smart Data schemes, which are the secure sharing of a customer's data upon their request, with authorised third-party providers.

Draft Equality (Race and Disability) Bill



The draft Bill enshrines in law the full right to equal pay for ethnic minorities and disabled people and to introduce mandatory ethnicity and disability pay reporting for larger employers (those with 250+ employees).

Cyber Resilience and Security Bill

This Bill aims to strengthen the UK's cyber defences and ensure that critical infrastructure and the digital services that companies rely on are secure. It will extend the remit of existing cyber regulation to cover more digital services and supply chains and will increase the power of the regulators.

Non-legislative themes for coming year

In their manifesto, Labour committed to review the pensions and retirement savings landscape to evaluate whether the current framework will deliver sustainable retirement incomes for individuals. Whilst non-legislative in nature, this review may lead to developments such as a further Pensions Bill or a commission to look at pensions reform.

IFoA Press Statement

IFoA responds to inclusion of draft audit reform bill in King's Speech

Responding to the King's Speech at the State Opening of Parliament today (17 July 2024), Kalpana Shah, President of the Institute and Faculty of Actuaries (IFoA) said:

“Six years on from Sir John Kingman’s independent review of the Financial Reporting Council (FRC), the inclusion of a Draft Audit Reform and Corporate Governance Bill in today’s King’s Speech is an important development for the future of actuarial regulation. We await its publication with interest to see how the regulatory framework for actuaries will be affected, as well as the proposed legislative timetable. We welcome the opportunity to help shape a clear, sustainable and proportionate regulatory framework which serves the public interest and we look forward to continuing to work closely with the FRC to this end.”

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Should you wish to discuss any of the points raised in the briefing, please contact Henry Thompson via: henry.thompson@actuaries.org.uk