

## News story: Unpaid tax at record low

The difference between the tax due and that collected by HMRC – known as the ‘tax gap’ – fell to a record low of 6% in 2015 to 2016, official statistics revealed today.

The UK is a world leader on tax compliance, with one of the lowest tax gaps in the world and sets an international example on tax transparency, being the only country to measure and publish tax gaps every year covering both direct and indirect taxes.

If the tax gap had remained at the 2005 to 2006 level of 7.9%, it would have grown to £46 billion and the country would have been nearly £12 billion a year poorer.

Mel Stride, Financial Secretary to the Treasury and Paymaster General said:

Collecting the right tax is crucial to fund our vital public services. Today’s data shows how far we have come in tackling avoidance, evasion and non-compliance, but there is still more to do and we will continue to take action to ensure that everyone pays the tax they owe.

Jim Harra, Director General, Customer Strategy & Tax Design, HMRC, said:

HMRC’s online tax accounts and use of data increasingly help people get their tax right and prevent mistakes and fraud. This enables us to focus on tackling those who deliberately pay less than they owe. Measuring the tax gap gives us vital insights into where to direct our efforts, and tells us that our strategy is succeeding.

The tax gap fall follows the introduction of 75 measures over the last 7 years to reduce tax avoidance, evasion and non-compliance, including:

- cracking down on avoidance by multinationals to ensure companies pay the right amount of tax under UK law
- introducing tough new criminal offences that make it easier to prosecute both evaders and companies that fail to prevent evasion, as well as significantly increasing penalties
- introducing a new penalty for those who enable the use of tax avoidance schemes that are later defeated by HMRC
- investing £800 million in HMRC’s compliance operations, which are expected to bring in an additional £7.2 billion in tax by 2020 to 2021

Since 2010, HMRC have secured almost £160 billion in additional tax revenue as a result of actions to tackle tax evasion, tax avoidance, and non-compliance, including £2.8 billion from offshore tax evaders, through action

both at home and abroad.

## Notes to editors:

For more information on how tax gaps are measured read HMRC's [Measuring Tax Gaps and Methodological Annex documents](#).

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# Press release: UK Government Investments strengthens and expands senior management team

UK Government Investments ("UKGI"), the Government's centre of expertise in corporate finance and corporate governance, announces a significant strengthening of its senior management team with the appointment of four new Directors. Tom Cooper and Candida Morley join UKGI as Directors, while Michael Harrison and Henry Lloyd have both been promoted to Director from within UKGI. These appointments expand UKGI's senior management team from four to eight Directors working with Mark Russell, UKGI's Chief Executive Officer.

Commenting, Mark Russell said:

As UKGI activity continues to increase, I am delighted that we have been able to strengthen further and enlarge our senior management team through the appointment of four highly experienced Directors.

One of the primary attractions of working at UKGI is that we operate at the heart of government, at the point where the public and private sectors meet. As such, we welcome Tom and Candida to UKGI from the private sector and congratulate Michael and Henry on their appointments as UKGI Directors. They all bring a breadth and depth of expertise to the senior management team which will be hugely beneficial to the ongoing development of UKGI.

Tom Cooper was most recently Global Co-Chairman of M&A at Deutsche Bank where he has spent the last 8 years. He started his career at KMPG and was at UBS Investment Bank for 21 years where his various roles included Head of European M&A.

Candida Morley joins UKGI from HgCapital where she was an Operating Partner. Between 2001 – 2015 she worked at private equity fund LDC (where her roles included Chief Portfolio Offer and Chief Operating Officer), prior to which she worked at Elementis plc, 3i plc and as Director of Development at the

Victoria and Albert Museum.

Michael Harrison joined UKGI in 2009 from Greenhill Caliburn, the Australian independent corporate finance adviser, prior to which he worked at CSFB and BZW. At UKGI he has worked on a range of projects across Government and currently works closely with organisations including Network Rail and Ordnance Survey.

Henry Lloyd joined UKGI in 2015 having spent over 25 years in European corporate finance and M+A, including roles at JPMorgan, CSFB and BZW. At UKGI his work has included representing the Department for Business, Energy and Industrial Strategy on the board of The Insolvency Service and advising the Ministry of Defence on the establishment of a new Executive Agency for the delivery of the submarine programme.

### **For further information:**

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### **About UK Government Investments ('UKGI')**

UKGI is owned by HM Treasury but independently managed and with a Board mostly comprised of independent Non Executive Directors. It combines the former Shareholder Executive and UK Financial Investments ('UKFI'). Working with a range of Government departments across Whitehall and operating at the boundary of the public and private sectors, UKGI's role is to provide Government with a centre of excellence in corporate finance and corporate governance.

While enormous in its scope and diversity, UKGI's work covers four principal areas:

- It acts as shareholder, representing Government's interests in the stewardship of over twenty arms-length organisations and assets, ensuring their good governance, scrutinising their performance and looking to optimise their value and operational efficiency on behalf of the taxpayer. It does all of this in line with its Principles of Portfolio Governance, which set the standard for the governance of assets in the public sector;
- It continuously reviews the feasibility of and alternatives for optimising the monetisation of those Government assets held for disposal, going on to prepare and execute all of Government's significant corporate and financial asset sales;
- It advises Government on all its financial interventions into corporate structures resulting from corporate or sectoral distress and other special situations;

- It advises Government on its major negotiations with corporates, responding to M&A and other potential transactions that have implications for the UK national interest.
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## [Press release: Government announces plans for disclosure of pension costs and charges](#)

Savers will also be able to access information about where their money is invested, opening up the possibility of people having greater choice over where their pension is invested.

Failure to provide this information could cost occupational workplace pension scheme trustees up to £50,000 from April 2018.

Up to 10 million people could benefit from the move.

This is the next step the government is taking to ensure savers receive good value for money from their pension, that their pension will meet their needs for retirement, and that savers are better able to maximise savings.

Secretary of State for Work and Pensions David Gauke said:

The government is beginning to address a fundamental imbalance that exists in the pensions industry.

For too long savers have been in the dark about where their pension is invested, what they are paying for, and why they are paying it.

I want people to have a strong sense of personal ownership over their pension savings. These proposals do just that and will open the industry.

By giving people the tools to better understand their options and compare value for money, I believe we are creating a generation of smarter, more informed savers.

Today's announcement comes on the back of the [latest pension charges survey](#) which shows that 98% of eligible members are at or below the 0.75% cap introduced by government.

However with the survey also showing a clear lack of transparency on some costs in pension schemes, the government is proposing that members receive an

annual benefit statement where they can find the costs and charges for their scheme.

Publication of charge and transaction cost information will enable pension scheme trustees and others to compare the value for money they are receiving with their peers, thereby driving better market outcomes.

Government will also compel schemes to publish an illustration of the compounding effect of the costs and charges affecting their pension savings.

The Financial Conduct Authority (FCA) will consult on corresponding rules for workplace personal pensions in the new year.

The consultation is open for 6 weeks.

Follow DWP on:

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## **Press release: Millions to benefit from groundbreaking mental health support**

As part of her commitment to tackle the injustice of mental illness the Prime Minister commissioned an independent review of mental health and employers which has found that around 300,000 people a year are leaving their jobs each year due to mental illness – costing employers up to £42 billion annually.

The Prime Minister is today confirming that NHS England and the Civil Service – two of the country's largest employers – will abide by the recommendations of the report.

As a result NHS and Civil Service employees will now be guaranteed tailored in-house mental health support. Alongside this, NHS England and the Civil Service will:

- introduce a set of core and enhanced standards which will ensure employees have the knowledge, tools and confidence to understand and look after their own mental health – and the mental health of their colleagues
- have support in place to help prevent mental illness being caused or worsened by work and equip those who have a mental illness to thrive
- be held to account for delivering these standards by their relevant

regulators so that employees can have faith they are being introduced effectively

Prime Minister Theresa May said:

I have made it a priority of this government to tackle the injustice of mental illness.

Vital to this is the need to have a comprehensive cross-government plan which transforms how we deal with mental illness not only in our hospitals or crisis centres but in our classrooms, shop floors and communities.

That's why I commissioned this important review which starkly illustrates the cost of untreated mental illness – around 300,000 people with a long term mental health problem are losing their jobs each year.

And that has a big impact on businesses which are losing up to £43 billion each year as a result.

So we need to take action. That's why I am immediately asking NHS England and the Civil Service – which together employ more than two million people – to accept the recommendations that apply to them.

With so many of our leading businesses leading the way in this area – and reaping the rewards as a result – I am sure that the private sector will follow suit.

It is only by making this an everyday concern for everyone that we change the way we see mental illness so that striving to improve your mental health – whether at work or at home – is seen as just as positive as improving our physical wellbeing.

The report from Lord Dennis Stevenson, a long-time campaigner for greater understanding and treatment of mental illness, and Paul Farmer CEO of Mind and chair of the NHS Mental Health Taskforce includes 40 recommendations for the public and private sector.

The Prime Minister is today writing to all metro mayors and key business groups including the CBI, IoD and Federation of Small Businesses to draw attention to the review and encourage them to implement the recommendations in their organisations and across their networks.

The government will consider the wider recommendations and respond in due course.

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# Press release: Welsh Secretary: UK Government is investing in Swansea's infrastructure for the long term

- Alun Cairns calls for swift progress in the delivery of Swansea Bay Region City Deal during keynote speech in the city
- UK Government announces £800,000 new investment in Swansea University's SPECIFIC centre for UK's first energy positive office
- Welsh Secretary to visit city centre gallery as part of fact-finding visit for the race for the UK City of Culture 2021 title

Secretary of State for Wales Alun Cairns will call on all partners to “pull together and make the Swansea Bay Region City Deal vision a reality” when he addresses delegates at the Policy Forum for Wales event in Swansea today (26 October).

Mr Cairns' speech forms part of a wider visit to Swansea where he will also announce a £800,000 UK Government backed investment in Swansea University's SPECIFIC Innovation and Knowledge Centre.

The funding, delivered by Innovate UK, will be used to construct the world's first energy positive office, capable of generating more energy than it uses.

In March this year, the Secretary of State stood alongside the Prime Minister and local partners to sign the Swansea Bay Region City Deal.

It is a deal which is expected to deliver more than 9,000 jobs and £1.3 billion of investment through 11 targeted projects which will see Wales placed front and centre of global science and innovation.

Seven months on since the signing of the agreement, Mr Cairns will take to the stage at the Marriott Hotel to urge partners to now “push forward to delivery” so that the people of Swansea can start to “see the tangible benefits and investment being made.”

During the speech, he will outline how Swansea is benefitting from the UK Government's prioritising of its infrastructure investment. The recent introduction of the innovative bi-mode Intercity Express trains will benefit passengers travelling across South Wales and the Government is also looking at making station improvements in Swansea and at ways to deliver direct services from London through to Pembroke Dock.

## **Secretary of State for Wales Alun Cairns said:**

These are exciting times for the Swansea region – not only because the dynamism of the projects that will be delivered through the City Deal, but also through the other investments that are being made in infrastructure that will stand the test of time.

The UK Government is ambitious for Swansea. That is why we are empowering the area to make the decisions to support the city's own economic growth, boost employment and attract investment.

We need to seize the opportunities that are coming Swansea's way. The potential the region has is immense but it is crucial that all levels of government, private and public sectors work together to drive it forward and make the region the powerhouse of innovation it deserves to be.

The energy positive office will be manufactured using cutting edge off-site manufacturing techniques and incorporate cutting edge, innovative energy harvest, storage and release technologies. The building will be completed by April 2018 and will be occupied immediately by up to 40 members of staff.

SPECIFIC is led by Swansea University and works with more than 50 partners from academia, industry and government to deliver its vision for buildings as power stations.

The Active Office will be linked to the Active Classroom – an existing space which provides teaching space and a laboratory for Swansea University students, as well as a building-scale development facility for SPECIFIC and its industry partners.

### **Secretary of State for Wales Alun Cairns said:**

The UK Government is committed to leading the world in delivering clean energy technology and today's investment shows that we are prepared to support innovation in this critical area.

Research and innovation has a proven track record of helping drive our economy. Swansea University is making a huge contribution in this area, making great strides in science and research which is receiving plaudits all over the world. I look forward to seeing this new investment come to life and hope it will provide another boost to the ground-breaking research being taken forward by the University.

### **Ruth McKernan, Chief Executive of Innovate UK, said:**

Building the UK's first office that creates more power than it uses is a significant step, and I'm proud that it is Innovate UK funding that is making it happen. The Active Office heralds the future for building design and is a testimony to the fantastic work being done at Swansea University by the SPECIFIC team. This flagship demonstration of the 'buildings as power stations' concept will draw visitors from around the world and give us a glimpse of the future.

**Professor Richard Davies, Vice Chancellor of Swansea University, said:**

It is exciting to see SPECIFIC's innovative 'buildings as power stations' concept becoming a practical reality. The Active Office at our magnificent Bay Campus follows closely on the heels of the ground-breaking Active Classroom. As well as demonstrating what is now possible off the grid, the new building will share energy with the Active Classroom, showing how buildings can work together to create energy resilient communities.

While in the city, the Secretary of State will also take the opportunity to find out more about the case being put forward by Swansea in the race for the UK City of Culture title in 2021.

He will visit the Glynn Vivian Art Gallery where curator Jenni Spencer-Davies will escort him on a tour of the gallery and provide an overview of the recent multi-million pound redevelopment of the space.

The Grade II listed gallery, which was founded in 1911, benefitted from a Thanks in part to a £576,500 Heritage Lottery Fund cash injection to help transform it into a destination art gallery of international significance, featuring new spaces for touring exhibitions, displays and lectures as well as a fully accessible entrance, café and shop.

## **NOTES TO EDITORS**

- Innovate UK is the UK's innovation agency. Innovate UK drives productivity and growth by supporting businesses to realise the potential of new technologies, develop ideas and make them a commercial success.
- The Swansea Bay City Region includes the local authority areas of Carmarthenshire, Swansea, Pembrokeshire and Neath Port Talbot, joined by Abertawe Bro Morgannwg and Hywel Dda University Health Boards, Swansea University and the University of Wales Trinity St David's, and private sector partners.
- Innovation and Knowledge Centres (IKCs) were co-funded by the Engineering Physical Research Council (EPSRC) and Innovate UK as a key component of the UK's approach to the commercialisation of emerging technologies through creating early stage critical mass in an area of disruptive technology. They are able to achieve this through their international quality research capability and access to companion technologies needed to commercialise research.
- IKC SPECIFIC was set up in 2011 with 5-year grant commitments from

EPSRC, Innovate UK and Welsh Government, with phase II commitment in April 2016. There has been further investment across both phases from Swansea University, strategic industrial partners (BASF, NSG Pilkington and Tata Steel) and additional support from Cardiff University. IKC Specific has generated more than £40m of funding for allied R&D projects such as Sêr Solar and Swansea University's Materials and Manufacturing Academy. The centre has developed research links with a number of other universities working in complementary research areas