

Political Monitor for IRC

Week commencing 22nd February 2010

Contents

| | |
|---|----|
| Westminster | 3 |
| Government | 3 |
| HM Treasury Publishes Draft Tax Advice To Provide Businesses More Certainty On Tax Policy | 3 |
| Lord Mandelson backs state investment bank plan | 3 |
| Code brings clarity to country of origin | 3 |
| Small Businesses Show a Varied Understanding of Employment Law | 4 |
| Statutory Instrument on Non-Domestic Rating | 4 |
| Parliament | 4 |
| Business of the House Oral Question: Shopkeeper Support | 4 |
| BIS Written Questions: Business Regulation | 4 |
| BIS Written Questions: Per Capita Costs of Apprentices | 5 |
| BIS Written Questions: Retail Trade and Planning Permission | 6 |
| Treasury Questions: Non-Domestic Rates | 6 |
| Written Questions: Bankruptcy: Business | 7 |
| Written Questions: Apprentices: Per Capita Costs | 7 |
| Written Questions: Business: Regulation | 8 |
| House of Lords Oral Question: Dairy | 9 |
| Lords Questions: Dairy Agriculture | 11 |
| House of Lords Questions: Bank Lending | 12 |
| Early Day Motion: Supermarket Pricing | 13 |
| Early Day Motion: Fairtrade Retailers | 13 |
| All Party Groups Calls for Localisation of business rate control..... | 14 |
| Opposition Parties..... | 14 |
| Out-of-town supermarkets face Tory curbs..... | 14 |
| Cable: 'Banks must do more to help businesses'..... | 14 |

| | |
|---|----|
| Scotland | 15 |
| Scottish Government Aims to Tackle Obesity Problem | 15 |
| Supermarkets face order to shelve unhealthy food under SNP legislation..... | 15 |
| Europe | 15 |
| Maternity leave extension backed by European MPs..... | 15 |
| Stakeholder | 16 |
| UK retail sales suffer sharp fall on snowy weather | 16 |
| Study links violence to take-away alcohol | 16 |
| Small firms' staff badly hit by snow chaos | 16 |
| Recession affects sales of Fairtrade products | 17 |
| Parties urged to scrap default retirement age..... | 17 |
| High street sees strongest sales growth for two years | 17 |
| Diageo steers drinkers towards supermarkets instead of the pub | 17 |

Westminster

Government

HM Treasury Publishes Draft Tax Advice To Provide Businesses More Certainty On Tax Policy



HM Treasury this week published a draft Tax Framework for business. Developed in discussion with the Business-Government Forum on Tax and Globalisation, the document is intended to provide greater certainty for large businesses about the Government's approach to the development of tax policy.

The Government is seeking feedback on the draft, which sets out:

- The key principles underpinning the development of tax policy – including securing fairness, competitiveness and stability for the UK, and ensuring new burdens and complexities are not created for UK business
- The policy process the Government follows when developing tax policy, including consultation wherever possible.

http://www.hm-treasury.gov.uk/press_18_10.htm

Lord Mandelson backs state investment bank plan



Lord Mandelson, the Business Secretary, has indicated his support for a state-run investment bank to provide loans to small businesses and capital for major infrastructure projects. The bank would be modelled on Germany's KfW bank. The Business Secretary's support came as he criticised Tory plans to offer the public discounted shares in the current state-owned banks.

<http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/7288279/Lord-Mandelson-backs-state-investment-bank-plan.html>

Code brings clarity to country of origin



DEFRA has announced that a new labelling code of practice has been introduced for the country of origin for pork and pork products. Major supermarkets have endorsed the voluntary code which aims to give clear and unambiguous information about country of origin on packs of pork, bacon and ham. The key aim of the code will be to ensure that the country of origin of the pork used in processed products will be clearly displayed on the pack.

<http://www.defra.gov.uk/foodfarm/farmanimal/pigs/task-force/documents/091207-tf4-4-cop-pork-label.pdf>

Small Businesses Show a Varied Understanding of Employment Law

BIS Department for Business
Innovation & Skills

Significant disparities exist between small businesses in their confidence and awareness of managing employment law, according to new research published this week by the **Department for Business, Innovation and Skills**. The study also includes an in-depth analysis of male and female variations.

<http://nds.coi.gov.uk/content/detail.aspx?NewsAreaId=2&ReleaseID=411448&SubjectId=15&DepartmentMode=true>

Statutory Instrument on Non-Domestic Rating

The Government this week laid a statutory instrument on Non-Domestic Rating in the case of unoccupied property. More details can found here:

http://www.opsi.gov.uk/si/si2010/uksi_20100408_en_1

Parliament

Business of the House Oral Question: Shopkeeper Support



Barry Sheerman, Huddersfield, Labour/: My right hon. and learned Friend might well have heard of the recent tragic murder of a Sikh shopkeeper in my constituency. He was a much-loved and respected member of our community and of the Sikh community. Would it be appropriate to have a debate in the House on the value of small shops and shopkeepers, and of small shopping centres? Is it not about time we stood up for small shops and shopkeepers against the Tescos and the Asdas that want to drive them all out of business?



Harriet Harman, Leader of the House of Commons and Lord Privy Seal: First, may I express my sincere condolences to the family on that tragic loss of life. I know that it has been felt not only by the man's immediate family but by the whole neighbourhood. I pay tribute to the people from the local pub who went to his aid. This is obviously a matter for the police authorities to investigate, but on the question of support for small shopkeepers, the Department for Business, Innovation and Skills and the Department for Communities and Local Government take every possible step to support the amenity provided by small corner shops in local communities and neighbourhoods.

BIS Written Questions: Business Regulation



John Penrose: To ask the Minister of State, Department for Business, Innovation and Skills what estimate he has made of the annual cost to businesses of

compliance with Government regulations introduced since 27 June 2007 in each (a) local authority area and (b) constituency.



Ian Lucas: In October 2009, the Government published the first Total Benefit/Cost ratio of New Regulations, for all legislation that received Royal Assent or was made by Parliament in the previous financial year, 2008-09. This is summarised in the following table:

| Measure | Quantified equivalent annual benefits (£ billion) | Quantified equivalent annual costs (£ billion) | Ratio of quantified benefits to costs (rounded) |
|-----------------------|---|--|---|
| The Pensions Act 2008 | 9.95 | 9.95 | 1.00 |
| Primary Legislation | 3.13 | 1.11 | 2.82 |
| Secondary Legislation | 11.20 | 2.01 | 5.57 |
| Total | 24.28 | 13.07 | 1.85 |

These data were calculated from information provided in published Impact Assessments (IAs) and includes all costs and benefits, not only those to business.

Nationwide data for earlier years could be provided only at disproportionate cost.

The Government do not collate data about regulation such as road closure orders that affect business on a purely local basis. It also does not hold data on national regulation at local authority or constituency level.

BIS Written Questions: Per Capita Costs of Apprentices



David Davis: To ask the Minister of State, Department for Business, Innovation and Skills what the average annual cost to the Government is of an apprenticeship undertaken through the National Apprenticeship Service.



Kevin Brennan: The Department for Business, Innovation and Skills and the Department for Children, Schools and Families allocate funding to the Learning and Skills Council (LSC) for the provision of apprenticeships in England. Planned investment for 16-18 and adult apprenticeships for 2009-10 and 2010-11 financial years is given in the following table.

| £000 | | |
|--|----------------|---------|
| | Financial year | |
| | 2009-10 | 2010-11 |
| 16-18 apprenticeships | 695,000 | 780,000 |
| Adult (aged 19 and over) apprenticeships | 389,914 | 398,410 |
| <i>Sources:</i> | | |
| Adult apprenticeships-BIS Skills Investment Strategy 2010-11, | November | 2009 |
| 16-19 apprenticeships-DCSF 16-19 Statement of Priorities and Investment Strategy 2010-11 | | |

Apprenticeships for those aged 16-18 are fully funded by the public purse. For learners aged 19 or over the employer is expected to make a contribution towards the cost of the course.

The public cost of delivering an apprenticeship varies significantly depending on the industry in which the apprenticeship framework is being delivered; whether the framework is at Level 2 or 3; and whether the participant is in the 16-18, 19-25 or 25+ age group. For example the LSC estimate that it costs £2,749 to deliver a Level 2 adult apprenticeship framework in Supporting Teaching and Learning in Schools and £4,083 to deliver the Level 3 equivalent framework. Between industries the difference in estimated costs can be more marked. LSC estimate that the cost of delivering a Level 3 adult apprenticeship in clock and watch repair is £13,409 but the cost of an adult apprenticeship at the same level in business and administration is £3,327.

It is not therefore possible to provide a meaningful average cost to the public purse of an apprenticeship.

BIS Written Questions: Retail Trade and Planning Permission



Mark Oaten: To ask the Minister of State, Department for Business, Innovation and Skills when he expects to respond to the Competition Commission's recommendation on the introduction of a local competition test in planning regulations.



Kevin Brennan: Government need to consider the wider implications of this recommendation alongside the Competition Commission's (CC) detailed analysis. These are complex issues. I expect to announce my response to the CC 's recommendation on introducing a competition test into the UK planning system in due course.

Treasury Questions: Non-Domestic Rates



Lorely Burt: To ask the Chancellor of the Exchequer how many hereditaments there are with a rateable value of (a) under £5,000, (b) between £5,000 and £14,999, (c) between £15,000 and £24,999, (d) between £25,000 and £49,999, (e) between £50,000 and £99,999, (f) between £100,000 and £499,999 and (g) at least £500,000; and what the total rateable value is of hereditaments in each category.



Ian Pearson, Economic Secretary, HM Treasury [*holding answer 22 February 2010*]: The following data are as at the 2 November 2009 and extracted from the information published by the Valuation Office Agency on the 18 December 2009.

These data are consistent with the statistical release titled: 'Non- domestic rateable values: 2010 Local Ratings Lists-England and Wales', published on 18 December 2009. A copy of this statistical release is available at the following link:

| Draft 2010 Rating List as at 2 November 2009 | | | | | | |
|---|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
| Hereditaments (thousand) : RV (£ m illion) | | | | | | |
| | England | | Wales | | Total | |
| | Number hereditaments (thousand) | Total rateable value (£ million) | Number hereditaments (thousand) | Total rateable value (£ million) | Number hereditaments (thousand) | Total rateable value (£ million) |
| Below 5,000 | 601 | 1,497 | 48 | 115 | 649 | 1,612 |
| Between 5,000 and 14,999 | 568 | 5,018 | 32 | 274 | 600 | 5,292 |
| Between 15,000 and 24,999 | 189 | 3,629 | 9 | 174 | 198 | 3,803 |
| Between 25,000 and 49,999 | 167 | 5,798 | 7 | 254 | 174 | 6,052 |
| Between 50,000 and 99,999 | 96 | 6,661 | 4 | 279 | 100 | 6,940 |
| Between 100,000 and 499,999 | 82 | 16,411 | 3 | 655 | 86 | 17,066 |
| 500,000 or over | 13 | 17,360 | 0 | 607 | 14 | 17,966 |
| Total | 1,717 | 56,373 | 104 | 2,358 | 1,821 | 58,732 |

Written Questions: Bankruptcy: Business



Brian Binley, Northampton South, Conservative: To ask the Chancellor of the Exchequer against how many businesses HM Revenue and Customs have initiated winding up or bankruptcy action in 2008-09; and how much debt such action recovered.



Stephen Timms, Financial Secretary, HM Treasury; Parliamentary Under-Secretary of State, Department for Business, Innovation and Skills: The total number of bankruptcy and winding up petitions filed by HM Revenue and Customs in 2008-09 in England, Wales, Scotland and Northern Ireland was 13,181. This has fallen from 2006-07 and 2007-08 when the totals were 17,936 and 14,716 respectively.

The information on the value of the debt contained within those petitions is not available centrally and could be obtained only at disproportionate cost.

Written Questions: Apprentices: Per Capita Costs



David Davis, Haltemprice and Howden, Conservative: To ask the Minister of State, Department for Business, Innovation and Skills what the average annual cost to the Government is of an apprenticeship undertaken through the National Apprenticeship Service.



Kevin Brennan, Minister of State, Departments for Business, Innovation and Skills and Children, Schools and Families: The Department for Business, Innovation and Skills and the Department for Children, Schools and Families allocate funding to the Learning and Skills Council (LSC) for the provision of apprenticeships in England. Planned investment for 16-18 and adult apprenticeships for 2009-10 and 2010-11 financial years is given in the following table.

| | Financial year | |
|--|----------------|---------|
| | 2009-10 | 2010-11 |
| 16-18 apprenticeships | 695,000 | 780,000 |
| Adult (aged 19 and over) apprenticeships | 389,914 | 398,410 |
| <i>Sources:</i> | | |
| Adult apprenticeships-BIS Skills Investment Strategy 2010-11, November 2009 | | |
| 16-19 apprenticeships-DCSF 16-19 Statement of Priorities and Investment Strategy 2010-11 | | |

Apprenticeships for those aged 16-18 are fully funded by the public purse. For learners aged 19 or over the employer is expected to make a contribution towards the cost of the course.

The public cost of delivering an apprenticeship varies significantly depending on the industry in which the apprenticeship framework is being delivered; whether the framework is at Level 2 or 3; and whether the participant is in the 16-18, 19-25 or 25+ age group. For example the LSC estimate that it costs £2,749 to deliver a Level 2 adult apprenticeship framework in Supporting Teaching and Learning in Schools and £4,083 to deliver the Level 3 equivalent framework. Between industries the difference in estimated costs can be more marked. LSC estimate that the cost of delivering a Level 3 adult apprenticeship in clock and watch repair is £13,409 but the cost of an adult apprenticeship at the same level in business and administration is £3,327.

It is not therefore possible to provide a meaningful average cost to the public purse of an apprenticeship.

Written Questions: Business: Regulation



John Penrose, Shadow Minister for Business: To ask the Minister of State, Department for Business, Innovation and Skills what estimate he has made of the annual cost to businesses of compliance with Government regulations introduced since 27 June 2007 in each (a) local authority area and (b) constituency.



Ian Lucas, Parliamentary Under-Secretary of State, Department for Business, Innovation and Skills: In October 2009, the Government published the first Total Benefit/Cost ratio of New Regulations, for all legislation that received Royal Assent or was made by Parliament in the previous financial year, 2008-09. This is summarised in the following table:

| Measure | Quantified equivalent annual benefits (£ billion) | Quantified equivalent annual costs (£ billion) | Ratio of quantified benefits to costs (rounded) |
|---------|---|--|---|
| The | 9.95 | 9.95 | 1.00 |

| | | | |
|-----------------------|-------|-------|------|
| Pensions Act 2008 | | | |
| Primary Legislation | 3.13 | 1.11 | 2.82 |
| Secondary Legislation | 11.20 | 2.01 | 5.57 |
| Total | 24.28 | 13.07 | 1.85 |

These data were calculated from information provided in published Impact Assessments (IAs) and includes all costs and benefits, not only those to business. Nationwide data for earlier years could be provided only at disproportionate cost.

The Government do not collate data about regulation such as road closure orders that affect business on a purely local basis. It also does not hold data on national regulation at local authority or constituency level.

House of Lords Oral Question: Dairy



Lord Bishop of Wakefield, (Stephen George Platten); To ask Her Majesty's Government what plans they have to develop the sustainability of the dairy sector following the publication of the strategy.



Lord Davies of Oldham, The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs: My Lords, our goal is a dairy sector that produces for the market and is profitable, thriving and competitive. It should meet consumer needs while protecting and enhancing the natural resources it depends on to safeguard our future production. We work closely with the dairy industry through the Dairy Supply Chain Forum to develop the milk road map, and contribute to the debate in the high-level group in Brussels.

Lord Bishop of Wakefield: My Lords, one could ask questions on this subject till the cows come home.

The Noble Lords: Oh!

Lord Bishop of Wakefield: I thank the Minister for his kind reply. At present, however, the costs of production are more than the price that many milk producers are getting for it. What additional measures are being put in place, alongside the emergency measures of the dairy fund, for the future continuance of the dairy industry?

Lord Davies of Oldham: My Lords, the emergency measures are important, but I think that the right reverend Prelate will appreciate, as will the whole House, that we are concerned that the dairy industry should establish itself for a profitable future. That means larger herds and a concentration of dairy production. We welcome the fact that Europe is thinking along the same lines. As we are better placed than many other European countries' dairy industries, we look forward to improved fortunes for the dairy industry in the future.



Lord Davies of Coity (Garfield Davies), Labour: My Lords, I wonder whether the Minister agrees that to ensure the future sustainability of the dairy sector, we should re-establish the Milk Marketing Board?

Lord Davies of Oldham: My Lords, this Government always go forward rather than back.



Lord Plumb (Henry Plumb), Conservative: My Lords, I speak as an ex-dairy farmer. Does the Minister share my concern and understand the anger of many dairy farmers throughout the land who have seen their herds decimated through bovine TB? Forty thousand cattle with TB were lost or slaughtered last year; I think it was 41,000 the year before. And so it goes on. And so it will go on this year. Some of those animals and herds have been totally decimated. One can therefore understand the reaction. What is the cost to the taxpayer of dealing with the problem? Furthermore, what is the cost to the nation of the loss of production of both milk and dairy products that could be produced in this country, when we are in fact importing millions of litres of milk which would be totally unnecessary if only this disease could be got under control?

Lord Davies of Oldham: As the noble Lord will know, we also export a considerable amount of milk. However, I entirely accept his point. The Government are greatly concerned with exactly the issue he identifies—the horrors that bovine TB visits on the dairy herd and, in fact, cattle in this country. If we thought that there was one straightforward answer that would solve the problem, the Government would of course leap on it. We are all too well aware of the agony of the situation for farmers and of the costs to the country. However, I emphasise that there is no clear evidence that the culling of badgers will solve the problem; in fact, the process of culling might make the problem more difficult. However, we are carrying out a project to trap and vaccinate badgers in six areas in England which have a high incidence of bovine TB in cattle. We are also watching the Welsh experiment, where a badger cull is being carried out in a limited area. We are of course open to persuasion that progress could be made along those lines.



Lord Greaves (Anthony Robert Greaves), Liberal Democrats: My Lords, the Government recently announced the appointment of an ombudsman to deal with relationships between supermarkets and their suppliers. How long will it be before this ombudsman is able to take action that results in dairy farmers being paid a fair price for their milk by all the supermarket chains?

Lord Davies of Oldham: My Lords, the Minister in the Commons, my right honourable friend Jim Fitzpatrick, already chairs a dairy industry supply chain forum which meets twice a year and has gone some way to tackling some of these issues. The noble Lord has identified a very important issue indeed: the relationship between the power of the supermarkets and producers in this country, which affects the dairy industry as much as it does other industries. That is an issue on which, as he indicated, our proposal with regard to the ombudsman is designed to make progress.



Baroness O'Cathain (Detta O'Cathain), Conservative: Does the Minister really think that having his right honourable friend chair a meeting twice a year will satisfy those poor dairy farmers? Does he know how many dairy farmers leave the industry each week? That is the problem: two meetings a year. It is not good.

Lord Davies of Oldham: My Lords, we appreciate the difficulties of the dairy industry: we are all too well aware of the collapse of a significant part of the industry last year. However, I emphasise to the noble Baroness that there are very good reasons why we should believe in the growing prosperity of the industry against a

background in which it becomes increasingly market-competitive. It is quite clear that, whereas others have had an advantage against us through the existing subsidies of the old CAP regime, Europe is changing on that perspective, from our persuasion. We will be better placed to take advantage of the future regime.

Lords Questions: Dairy Agriculture



Lord Bishop of Wakefield: To ask Her Majesty's Government what plans they have to develop the sustainability of the dairy sector following the publication of the strategy Food 2030.



Lord Davies of Oldham, The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs: My Lords, our goal is a dairy sector that produces for the market and is profitable, thriving and competitive. It should meet consumer needs while protecting and enhancing the natural resources it depends on to safeguard our future production. We work closely with the dairy industry through the Dairy Supply Chain Forum to develop the milk road map, and contribute to the debate in the high-level group in Brussels.

The Lord Bishop of Wakefield: At present, however, the costs of production are more than the price that many milk producers are getting for it. What additional measures are being put in place, alongside the emergency measures of the dairy fund, for the future continuance of the dairy industry?



Lord Davies of Oldham: My Lords, the emergency measures are important, but I think that the right reverend Prelate will appreciate, as will the whole House, that we are concerned that the dairy industry should establish itself for a profitable future. That means larger herds and a concentration of dairy production. We welcome the fact that Europe is thinking along the same lines. As we are better placed than many other European countries' dairy industries, we look forward to improved fortunes for the dairy industry in the future.



Lord Greaves: My Lords, the Government recently announced the appointment of an ombudsman to deal with relationships between supermarkets and their suppliers. How long will it be before this ombudsman is able to take action that results in dairy farmers being paid a fair price for their milk by all the supermarket chains?

Lord Davies of Oldham: My Lords, the Minister in the Commons, my right honourable friend Jim Fitzpatrick, already chairs a dairy industry supply chain forum which meets twice a year and has gone some way to tackling some of these issues. The noble Lord has identified a very important issue indeed: the relationship between the power of the supermarkets and producers in this country, which affects the dairy industry as much as it does other industries. That is an issue on which, as he indicated, our proposal with regard to the ombudsman is designed to make progress.

House of Lords Questions: Bank Lending



Lord Razzall, Liberal Democrat: To ask Her Majesty's Government what assessment they have made of the level of bank lending to small and medium-sized enterprises.



Lord Mandelson, The First Secretary of State, Secretary of State for Business, Innovation and Skills and Lord President of the Council: My Lords, data supplied to my department by the four main lenders to small and medium-sized enterprises show that demand for finance remains subdued, with the number of applications in the final quarter of 2009 some 25 per cent down on the early 2008 high. However, the value of loans drawn in the final quarter of 2009 was more than 7 per cent up on the previous quarter, and the majority of businesses applying for support continue to access the finance that they require. Loans totalling more than £690 million have been drawn down by nearly 7,000 businesses under the Government's enterprise finance guarantee, and that is lending that would not otherwise have occurred.

Lord Razzall: My Lords, I thank the Minister for that Answer but can I press him further? Is he aware of the recent survey by the Institute of Directors which shows that nearly 60 per cent of applications for finance by directors seeking bank finance in 2009 were rejected by the banks and that 20 per cent of the businesses surveyed are to some extent funding their businesses with credit cards? Does he not agree that these figures challenge the central claims made by the UK banks, the latest being made by RBS this week, that, where demand exists for bank finance, the majority of that demand is being met? Does he also not agree that we have been making this point from these Benches for the past 12 months?

Lord Mandelson: My Lords, it is difficult to assemble an absolutely clear and stable picture of exactly what is going on. Surveys undertaken by my own department show that around three-quarters of businesses get finance from the first source they approach. The data indicate that current approval rates for loans and overdrafts are around 66 per cent for businesses with a turnover of up to £1 million and close to 90 per cent for those with a turnover of between £1 million and £25 million. Those figures for this first quarter are up or stable compared with the fourth quarter of 2009. However, I readily accept and acknowledge that the general perception of bank lending among SMEs is, frankly, more negative than these figures indicate. In these circumstances, I strongly urge the banks to be both more communicative and more competitive in their approach to lending to SMEs.



Lord De Mauley Conservative Spokesperson for Business, Innovation and Skills: My Lords, how does the Secretary of State respond to the new data from the Institute of Directors, in which I declare an interest as a member, which found that, despite government assurances that businesses found to be ineligible for commercial credit would be offered access to the enterprise finance guarantee, 83 per cent of those found so ineligible were not even offered information on that scheme?

Lord Mandelson: My Lords, I am not aware of the information to which the noble Lord refers, although I shall make sure that it is supplied to me by my department. Obviously, that would create concern in my mind. I can only say that the principal problem that we have in the economy is a lack of demand for lending rather than a

lack of supply. As the recovery gathers strength during this year and next, the demand problem might become more of a supply problem, and that is why we have to be very vigilant about the approach, practices and behaviour of the banks in relation to the corporate sector.



Lord Cotter, Liberal Democrat: My Lords, a moment ago, the Secretary of State referred to the fact that there is a lack of demand for borrowing. I suggest to him that in fact the problem is the hurdles which people have to overcome, such as very high interests rates, bureaucracy, new charges, audits, facility fees, reviews and management fees. Does he agree that many of those hurdles are new and that they discourage small businesses from borrowing?

Lord Mandelson: My Lords, the noble Lord has put his finger on a very real problem. It is one that I raised earlier this week when, with the Chancellor, I met all the CEOs of all the retail banks. I am only too well aware that businesses continue to raise concerns, not just about the availability of credit but about the pricing of that credit. Increased loan pricing can be attributable to the need for retail banks to repair their balance sheets, given the disrepair they got into in the past; to the increased cost of funding for the banks, which is driven by market conditions; and to new and proposed regulation, such as the FSA's liquidity requirements. In other words, safer banks, which we all welcome, may not be cheaper lending banks as a result of some of the regulation that has been introduced. In my view, that points out the need for regulators to be conscious of the full consequences of their actions both for the banks and the businesses which rely on them.

Early Day Motion: Supermarket Pricing

Tom Watson; Jo Swinson; Bob Russell; Peter Bottomley; Mark Durkan; and Lindsay Hoyle: Tabled the following motion:

That this House congratulates the Guardian newspaper's Datablog report into supermarket prices, which found that two-thirds of pre-Christmas price cuts at Asda and Tesco were only one penny; notes with concern that more than half of all price rises during the same period were greater than 10 pence; believes that consumers were given a false impression about price cuts by television advertising at the time; deplores the behaviour of retailers who seek to manipulate prices in this cynical way; and calls on the Government to consider introducing legislation to oblige large retailers to publish weekly price lists of all their stock in a standard, machine readable, open digital format.

Early Day Motion: Fairtrade Retailers

Nigel Evans; Lindsay Hoyle; Bob Russell; Peter Bottomley; Mark Durkan; and Lee Scott: Tabled the following motion:

That this House recognises the importance of fairtrade products to supporting producers and workers in developing countries; appreciates and supports the

ethical commitments of fairtrade retailers and producers; particularly recognises that Sainsbury's provides over 800 fairtrade products and generated £218 million in sales of fairtrade products in the last year; congratulates Sainsbury's for its work to provide and promote fairtrade products which has led to Sainsbury's becoming the world's largest retailer of fairtrade products; and calls on the Government to encourage use of fairtrade products and support fairtrade retailers.

All Party Groups Calls for Localisation of business rate control



Localising the tax system would help to drive better business and encourage councils to be more proactive, a new report from The **All Party Urban Development Group** says. It suggests that major reform of business rate control should begin with local authorities being given increased powers to develop schemes, such as tax increment financing, to encourage investment in their regions.

Opposition Parties



The Conservatives have this week published 'A New Age of Agriculture - Our Agenda for British Farming', a set of policies aimed at fostering a more productive, sustainable and competitive farming industry. This new policy paper has five key aims: to enable increased production whilst protecting the environment, to promote fair competition, to reduce the burden of regulation, to further reform the Common Agricultural Policy, and to take action on animal disease.

http://www.conservatives.com/News/News_stories/2010/02/A_New_Age_of_Agriculture.aspx

Out-of-town supermarkets face Tory curbs



A **Conservative Party** green paper on planning made clear the party will make it harder for supermarkets to win permission for new stores. It also pledges an overhaul of local planning laws to allow communities to draw up new "Local Plans" that will dictate what sort of new housing developments can be permitted. The Conservatives say that Labour has watered down planning laws, weakening "needs test" rules that allowed councils to reject out-of-town developments if they thought that the town was already well served with shops.

Cable: 'Banks must do more to help businesses'



Lloyds and Royal Bank of Scotland came under fresh fire yesterday from the **Liberal Democrats** for failing to meet commitments to lend to small businesses and "endangering economic recovery". Speaking as the two prepare to unveil another year of multi-billion pound losses Liberal Democrat Treasury spokesman Vince

Cable accused them of "denying the facts" and blaming government and regulators for failing to lend to businesses by forcing banks to hold more capital.

[http://www.libdems.org.uk/latest_news_detail.aspx?title=Vince Cable sets out the Liberal Democrat plan for the banking sector&pPK=98fe99d4-6a12-4fe6-81bf-31eb352edd76](http://www.libdems.org.uk/latest_news_detail.aspx?title=Vince_Cable_sets_out_the_Liberal_Democrat_plan_for_the_banking_sector&pPK=98fe99d4-6a12-4fe6-81bf-31eb352edd76)

Scotland

Scottish Government Aims to Tackle Obesity Problem



The **Scottish Government** has set out its commitment to tackling its obesity problem by proposing restrictions on high-calorie foods near schools, the removal of sweet displays near tills and by encourage retailers to promote healthier foods. The report, 'Preventing Overweight And Obesity In Scotland - A Route Map Towards Healthy Weight', which showed that in 2008 just over a quarter of adults and 15 per cent of children in Scotland were obese, promises to change the nature of the corner shop in Scotland. Report available at: <http://www.scotland.gov.uk/Resource/Doc/302783/0094795.pdf>

Supermarkets face order to shelve unhealthy food under SNP legislation



Ministers want supermarkets and convenience stores to stock fewer unhealthy items and are calling on producers to reduce the levels of salt, sugar and saturated fat in their products after it was announced that a ban on displays of sweets at supermarket checkouts, restrictions on the sale of high-calorie foods near schools and limits on the size of portions in restaurants are being considered by **The Scottish Government** in an attempt to halt rising obesity.

<http://www.sd-commission.org.uk/pages/scotland-government-must-show-strong-leadership-to-supermarkets.html>

Europe

Maternity leave extension backed by European MPs

Draft legislation has been passed by a committee of the European Parliament to extend maternity leave across Europe to 20 weeks on full pay. Current European rules give women 14 weeks leave fully paid. In the UK, women get a year off, with the first six weeks on 90% pay, followed by 33 weeks on Statutory Maternity Pay. The rest is unpaid. The 20-week proposals will now go before the full European Parliament in early March.

<http://news.bbc.co.uk/1/hi/business/8533438.stm>

Stakeholder

UK retail sales suffer sharp fall on snowy weather

Poor winter weather drove UK retail sales down by 1.8% between December and January, the sharpest drop in 18 months, official figures have shown. The fall was more than three times faster than analysts had forecast. However the figures were weighed down by the inclusion of petrol in the official figures for the first time as drivers stayed at home in the snow.

The data, from the **Office for National Statistics**, tells us that fuel sales decreased by 11.1% on the month, but, when the impact of car fuel sales was stripped out, overall retail sales fell by 1.2%. Food sales fell by 2.4%, but the ONS said the cold weather had boosted sales of clothing. The period covers the first month since Value Added tax (VAT) returned to 17.5% after a temporary drop to 15%. This is thought to have brought some sales forward to December, thereby hurting the January figures.

<http://www.statistics.gov.uk/cci/nugget.asp?id=256>

Study links violence to take-away alcohol

US scientists have shown what they say is a direct link between the number of shops selling alcohol in an area and the violence occurring there. The study was conducted in Cincinnati and considered all types of outlet, including bars and restaurants. They presented the study at the American Association for the Advancement of Science annual meeting.

Professor William Pridemore from **Indiana University**, who led the study, spoke at the meeting in San Diego. He and his colleagues used a mathematical technique to divide the city into blocks. They compared the density of bars, restaurants and shops that sold alcohol with police records of the number of assaults that occurred in each of those blocks.

The strongest association with violence was linked to "off-premise outlets" - shops rather than bars or restaurants where alcohol is consumed on the premises.

Small firms' staff badly hit by snow chaos

One in seven people employed by smaller firms could not get to work because of the heavy snow and travel chaos at the start of the year, new research revealed this week. Transport problems and school closures were blamed by many workers for having to stay at home, while firms also lost business because of the disruption.

A survey of 1,600 companies by the **Federation of Small Businesses** showed that on average, one in seven members of staff was unable to get to work for at least one day because of snow-bound roads and closed roads.

Recession affects sales of Fairtrade products

Fairtrade's explosive growth slowed in the UK last year as shoppers thought twice about buying costlier ethical products in the recession, figures released this week show.

Overall Fairtrade sales rose by 12 per cent to an estimated £799m, with tea and coffee performing well but cotton fading, the **Fairtrade Foundation** said. The rise represents a marked slowdown in the runaway growth of the trade-not-aid movement, following sales leaps of 71 per cent in 2007 and 45 per cent in 2008.

Parties urged to scrap default retirement age

Politicians are being urged to scrap the default retirement age amid concerns that employers have used it to save costs during the recession. In their pre-election manifesto, **Age Concern** and **Help The Aged** said firms were forcing people to stop work at 65 as a "cheap alternative" to redundancy. Ministers said their "long-term aim" was to scrap fixed retirement ages.

http://news.bbc.co.uk/1/hi/uk_politics/8536192.stm

High street sees strongest sales growth for two years

UK retailers posted their strongest growth in sales volumes for two years in early February, and further growth is expected in March, the **CBI** said this week. According to its latest Distributive Trades Survey, 23pc of retailers said sales volumes in early February were lower than one year ago while 46pc said they were higher. The resulting balance of 23pc is a marked improvement on the minus 8pc seen in January and is the strongest year-on-year increase in sales since May 2007. It also beat retailers' own expectations. Store groups thought that there would be little change in sales volumes on a year ago.

<http://www.cbi.org.uk/ndbs/press.nsf/0363c1f07c6ca12a8025671c00381cc7/f8d277b4daff3f9802576d20041a827?OpenDocument>

Diageo steers drinkers towards supermarkets instead of the pub

Diageo, the world's biggest spirits maker, is focusing its marketing efforts on wooing British drinkers to spend their money in supermarkets rather than at the pub, as the recession continues to squeeze discretionary spending. As the downturn has accelerated the trend for

drinking at home, the company is strengthening its relationships with the UK's biggest retailers to try and increase its share of a market where growth is sluggish.

<http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/7286950/Diageo-steers-drinkers-towards-supermarkets-instead-of-the-pub.html>