

Political Monitor for IRC

Week commencing 1st March 2010

Contents

Westminster	3
Opposition Parties.....	3
George Osborne: Unleashing the forces of enterprise	3
Parliament	3
Written Questions: Financial Services: Advisory Services.....	3
Written Questions: Tesco: Planning Permission	3
Written Questions: Non-Domestic Rates: Garages and Petrol Stations	4
Written Questions: Knives: Sentencing.....	4
Written Questions: Alcoholic Drinks: Young People.....	4
Private Members' Bill: Sustainable Communities Act 2007 (Amendment) Bill:	5
Statutory Instrument: Tobacco Advertising and Promotion	5
Statutory Instrument: Protection from Tobacco (Sales from Vending Machines).....	5
BIS Oral Questions: Business Credit.....	5
BIS Oral Questions: Bank Lending (Businesses)	7
BIS Oral Questions: Access to Credit.....	7
BIS Oral Questions: Town and Country Planning	8
BIS Oral Questions: Sector Skills Councils.....	8
Lords Written Questions: Post Office Banking.....	10
Lords Written Questions: Post Office Closures	10
Stakeholder	11
Small businesses fail to grow because of complex tax rules	11
Business organisations urge small firms to say no to the National Insurance rise	11
Business coalition battles 'tax on jobs'	11
No pay rise for '16 million workers'	11
Scrap VAT exemptions to rescue economy, says think tank	12
Tesco thwarted over Norfolk supermarket.....	12

Unjustified regulation in the food supply chain.....12

Westminster

Opposition Parties

George Osborne: Unleashing the forces of enterprise



The Shadow Chancellor **George Osborne** has vowed to "unleash the forces of enterprise" with a series of radical measures designed to persuade British business that the Tories can guide them out of recession. Osborne revealed measures that will form part of his emergency budget to be unveiled within 50 days of the general election.

http://www.conservatives.com/News/Speeches/2010/02/George_Osborne_Unleashing_the_forces_of_enterprise.aspx

Parliament

Written Questions: Financial Services: Advisory Services



Adrian Sanders, Liberal Democrat Deputy Chief Whip: To ask the Chancellor of the Exchequer what steps his Department is taking to provide financial advisory services through the Post Office network.



Sarah McCarthy-Fry: The Government currently have no plans to provide financial advisory services specifically through the Post Office network.

The Government however are committed to ensuring that people can access helpful, impartial information and guidance on money. This will help them make better-informed financial decisions, manage their money well and avoid getting into financial difficulty. As part of this, the Government will shortly launch the roll-out of a national Money Guidance service.

The Government have also indicated that they want Post Office to play a bigger role in banking services. A public consultation on Post Office banking recently closed on 24 February and the Government are now considering the comments they received and will publish their response in due course

Written Questions: Tesco: Planning Permission



Stewart Jackson, Shadow Minister for Communities and Local Government: To ask the Secretary of State for Communities and Local Government how many

planning appeals relating to Tesco supermarkets have been considered by the Planning Inspectorate in the last 24 months.



Ian Austin, Department for Communities and Local Government: In the 24 month period 1 January 2008 to 31 December 2009 the Planning Inspectorate received 49 planning appeals and, within the same period, determined 31 planning appeals, where Tesco was either appellant or joint appellant and the development related to a retail outlet.

Written Questions: Non-Domestic Rates: Garages and Petrol Stations



Robert Neill, Shadow Minister for Local Government: To ask the Chancellor of the Exchequer how many petrol retail stations were on the Valuation Office Agency's Rating List in 1997; and how many there are on the 2010 Rating List.



Ian Pearson, Economic Secretary, HM Treasury: As the hon. Member will be aware, there have been some significant changes in the structure of petrol retailing over the past 15 years. Petrol filling stations in the 1995 Rating Lists were identified using Valuation Office Agency (VOA) Special Category (SCAT) code 222. As at 1 April 1997 there were 11,870 in England and 1,050 in Wales. In the Draft 2010 Rating Lists petrol filling stations are under SCAT 209. As at 2 November there were 5,650 in England and 440 in Wales.

Written Questions: Knives: Sentencing



Chris Grayling, Epsom and Ewell, Conservative: To ask the Secretary of State for Justice pursuant to the answer of 5 February 2010, Official Report on knife sentencing, what the (a) lowest, (b) highest and (c) average fine was for the selling of knives to a minor in each year since 1998.



Claire Ward, Watford, Labour: The requested information is provided in the following table.

<http://www.publications.parliament.uk/pa/cm200910/cmhansrd/cm100226/text/100226w0009htm>

Written Questions: Alcoholic Drinks: Young People



Chris Grayling: To ask the Secretary of State for the Home Department how many people have been convicted for offences related to purchasing alcohol on behalf of a person aged under 18 years in each year since 1998.

Alan Johnson, Home Secretary: The number of persons found guilty at all courts for offences related to purchasing alcohol on behalf of a person aged under 18 years, England and Wales 1998 to 2008 (latest available) can be viewed in the table. A penalty notice for disorder can also be issued for offences related to

purchasing alcohol on behalf of a person aged under 18 years and are also given in the table.

Court proceedings data for 2009 are planned to be published in autumn 2010.

<http://www.publications.parliament.uk/pa/cm200910/cmhansrd/cm100226/text/100226w0015.htm#10022628002350>

Private Members' Bill: Sustainable Communities Act 2007 (Amendment) Bill:



Introduced by **Alistair Burt**, North East Bedfordshire, Conservative: The bill has been debated in its second reading to Parliament. It offers short amendment to the Sustainable Communities Act 2007. The Bill seeks to amend the 2007 Act by setting a deadline for the Secretary of State to initiate the next round of proposals from local authorities for enhancing the sustainability of local communities. It provides for regulations to be made specifying the rules for this process. These regulations will also cover parish council involvement and the role of local petitioning. There is also provision for greater flexibility in decision-making on proposals.

Statutory Instrument: Tobacco Advertising and Promotion

The Government this week laid a statutory instrument on Tobacco Advertising and Promotion to the House of Lords. They shall be scrutinized in Grand Committee in due course. More details can be found here:

http://www.opsi.gov.uk/si/si2010/ukxi_20100445_en_1

Statutory Instrument: Protection from Tobacco (Sales from Vending Machines)

The Government this week laid a statutory instrument on Tobacco Advertising and Promotion to the House of Lords. They shall be scrutinized by Grand Committee in due course. More details can be found here:

http://www.opsi.gov.uk/si/si2010/draft/ukdsi_9780111492048_en_1

BIS Oral Questions: Business Credit



Jo Swinson, East Dunbartonshire, Liberal Democrat: What recent representations he has received on trends in availability to businesses of credit from banks.



Ian Lucas, Parliamentary Under-Secretary of State for Business, Innovation and Skills: The Department meets regularly with both banks and business representatives to discuss the availability of business finance. This has included the

quarterly meeting of the Small Business Finance Forum and a recent "Going for Growth" seminar, which brought banks and businesses together to look at current issues affecting business bank credit and how they might evolve as the recovery of the economy progresses.

Jo Swinson: The Federation of Small Businesses has found that nearly half of small businesses in Scotland are having to use personal savings, personal loans or personal credit cards as a major source of business finance. The Minister will know that the Public Accounts Committee found that Lloyds and Royal Bank of Scotland fell well short of their promises to lend £39 billion last year. Can the Minister tell the House what he will do this year to get the banks lending and, at the very least, ensure that the part-nationalised banks meet their lending targets for small businesses?

Ian Lucas: The Department has a help for business unit and, if the hon. Lady has individual examples with which she needs assistance, we are happy to take those up and discuss individual cases directly with banks. We are very conscious of the availability of lending and how important it is in taking forward the recovery. There have been signs of progress in the last quarter, but we will continue to engage with both banks and small businesses to ensure that that recovery builds.



John Penrose, Weston-super-Mare, Conservative: Is the Minister aware that the Bank of England's report last month showed that the fall in bank lending in 2009 was the worst since records began, and that lending to business crashed by a whopping £4.3 billion in December alone? Does he not remember the Chancellor's words about the Government's bank rescue plans 18 months ago-as far back as October 2008-when he said:

"The purpose of these proposals is to get lending started again".

Given the latest figures, does the Minister not feel even the faintest shred of embarrassment about the yawning gulf between the rhetoric and the reality?

Ian Lucas: What I do remember is that when I was running a small business in 1992, interest rates increased in a morning from 10 per cent. to 15 per cent. We do not wish to see those days of instability return. We understand small businesses and engage with them, and we are continuing to work to restore credit and investment in industry. There are signs of positive steps forward and we will continue with those as time passes.



Mike Weir, Angus, SNP: One of the problems that small businesses in my constituency have with the banks is the operation of the enterprise guarantee scheme. Despite businesses meeting all the published criteria, the banks simply will not lend, often saying that businesses are unviable because they have had a drop in profitability over the last year-hardly surprising in the midst of a recession. Will the Minister look at the operation of the scheme and put pressure on the banks to deal with small businesses more equitably?

Ian Lucas: To date, more than £1.2 billion of eligible applications have been pursued through the enterprise finance guarantee from 10,738 companies, and £857 million has been offered to 8,378 businesses. That has meant real help to those individual businesses. As I indicated to the hon. Member for East Dunbartonshire (Jo Swinson), if hon. Members-on either side of the House-have individual examples, I will work with them to help small business.



John Thurso, Caithness, Sutherland and Easter Ross, Liberal Democrat: As the economy starts to grow, the provision of credit for all business, especially small and medium-sized enterprises, will be vital as working capital. As my hon. Friend the Member for East Dunbartonshire said, the PAC has drawn attention to the fact that the nationalised banks have failed to meet their lending commitments. Last week, the Institute of Directors published a survey that showed that 57 per cent. of those who had applied for credit were denied it. Worst of all, of that 57 per cent., 83 per cent. were not even offered information about the enterprise finance guarantee scheme. So the banks are failing to lend, United Kingdom Financial Investments Ltd is failing to do anything about it, and the enterprise finance guarantee scheme is also failing. What will the Minister do about that catalogue of failure?

Ian Lucas: I have already recounted the figures on the extent of the success of the enterprise finance guarantee scheme—the money invested in businesses and the numbers of businesses that have benefited. We always wish to do more, and as the recovery gathers pace, we will continue to engage with business and banks to ensure that the banks provide assistance to the economy as it grows.

BIS Oral Questions: Bank Lending (Businesses)



David Amess, South End, West, Conservative: What recent estimate he has made of trends in availability to small and medium-sized enterprises of bank lending.

Ian Lucas: The majority of small and medium-sized enterprises applying for finance continue to receive the finance that they require. For businesses with a turnover of less than £1 million, the proportion of applications that banks approved increased in the second half of 2009, and the average monthly approval rates for those businesses in the fourth quarter of 2009 were about 67 per cent. for loans and 72 per cent. for overdrafts.

David Amess: In the real world, many small and medium-sized businesses in Southend, West are still suffering in the current economic climate, and their situation is not being helped by the negative attitude of banks towards lending. A survey by the Federation of Small Businesses showed that only 1 per cent. of moneys is being got from Government finance, so will they now accept my party's proposal for a national guarantee scheme?

Ian Lucas: With respect to the hon. Gentleman, I live in the real world too—in Wrexham—and I have small businesses in my constituency as well. We all know that we have had an extremely difficult 18 months and the most substantial global recession in living memory, but we are improving access to credit for businesses. We do not want a return to the up-and-down approach—and the instability that came with it—taken by the Conservative party when I ran a small business.

BIS Oral Questions: Access to Credit



Desmond Swayne, New Forest West, Conservative: What steps he is taking to increase the level of access to credit by small and medium-sized enterprises?

Ian Lucas: We have a number of targeted interventions working to ensure access to finance for small and medium-sized businesses. I have already given the House figures concerning the enterprise finance guarantee, which is one example of those interventions.

Desmond Swayne: The statements from the Dispatch Box are quite at variance with the experience of small businesses on the ground. Is it not clear that the second banking bail-out failed in its attempt to extend bank lending to business?

Ian Lucas: The experience on the ground is that we are seeing signs of increasing investment in business and of businesses beginning to recover as consumer demand develops. Consumer demand is extremely important. That is why it is vital that we do not reach the levels of unemployment in this country that we saw on two occasions under the last Tory Government.

BIS Oral Questions: Town and Country Planning



Ian Austin, Parliamentary Under-Secretary of State for Communities and Local Government: One of the consequences of the 2010 non-domestic rate revaluation, which comes into effect on 1 April, is that certain thresholds linked to rateable value limits also have to be raised so that small businesses are not disadvantaged.

I am therefore announcing today that we intend to raise the annual rateable value limit below which the owners of small businesses can serve blight notices and claim other types of compulsory purchase compensation. The limit was previously raised to £29,200 at the time of the 2005 revaluation, and it will now be raised to £34,800 from 1 April 2010. This reflects the changes in rateable values between 2005 and 2010, so that businesses which are currently eligible to serve a blight notice will continue to be able to do so when the new rating lists come into effect.

The same threshold also applies for businesses claiming compensation for loss of value under part 1 of the Land Compensation Act 1973 when their premises are affected by physical factors such as noise, vibration, fumes and artificial lighting from new public works such as highways and aerodromes.

This threshold also applies under the 1973 Act to enable proprietors aged at least 60 to claim disturbance compensation on the basis of the total extinguishment of their business when they are subject to a compulsory purchase order. This allows claimants of that age to retire if they do not want to re-establish their business elsewhere.

The Town and Country Planning (Blight Provisions) (England) Order 2010 (SI No: 2010/498), which is the Statutory Instrument necessary to achieve the change to the rateable value limit, will be laid today in order for it to come into force on 1 April.

BIS Oral Questions: Sector Skills Councils



Jeff Ennis, Barnsley, East and Mexborough, Labour: What recent assessment he has made of the effect of the work of the sector skills councils on the skills level of the work force.



Kevin Brennan, Minister for Further Education, Skills, Apprenticeships and Consumer Affairs: Sector skills councils help raise demand for skills, provide authoritative labour market intelligence and ensure that qualifications meet employer needs. Their annual skills assessment sets out how the skills needs of their sectors are being met, and all SSCs have recently undergone a robust and rigorous relicensing process.

Jeff Ennis: The Minister will be aware of the recent Baker Tilly report, which indicated the positive impact that sector skills councils are having on the UK economy. But is he also aware of the memorandum of understanding that is being signed next week by the Alliance of Sector Skills Councils and the Federation of Small Businesses to ensure that qualifications being offered in the future by the SSCs are more relevant to micro and small businesses?

Kevin Brennan: Yes, I am aware of that, and later today I will meet John McNamara, who is in charge of the Alliance of Sector Skills Councils, when I can discuss the points that my hon. Friend raises. He is absolutely right; qualifications should be those that employers find useful, and the involvement of sector skills councils in developing qualifications is one of the features of the skills system that the Government have developed that makes them more relevant to employers and, therefore, to employees and learners.



Anne McIntosh, Vale of York, Conservative: This week a delegation from the print industry in the Yorkshire and Humber region told us clearly that sector skills councils are not hitting the mark. Please will the Minister make them more responsive to the needs of employers, particularly to train the up and coming leaders of local businesses?

Kevin Brennan: Yesterday, in the Department, we held a summit at the behest of the sector skills council employers and trade unions in the print industry to consider its future and its needs. If the representatives from the hon. Lady's constituency were not invited to that, perhaps she will let me know. We would certainly like to involve them in those discussions because the print industry has a great future. It is not the old-fashioned industry that it sometimes has a reputation for being. It has lots of small and medium-sized enterprises, and great and exciting technological developments are going on that we need to take advantage of.



Ian Davidson, Glasgow South-West, Labour /Cooperative: Is the Minister aware that the largest single employer of apprentices in Scotland is those firms that are currently engaged in building the aircraft carriers? Does he agree that all those apprenticeships, both for adults and for youngsters, would be lost if the Conservatives carried forward their proposal to examine the break clauses of the contract on day one of any future Conservative Government?

Mr. Speaker: Order. I know that the Minister will relate his remarks exclusively to the effect of the work of the sector skills councils.

Kevin Brennan: Of course, Mr. Speaker. Sector skills councils have a UK-wide responsibility in the defence industry and with regard to apprenticeships. I am proud of the fact that under this Government apprenticeship numbers have risen from 60,000 in 1997 to nearly 250,000 now. It would be a great danger if a Government committed to cutting public investment were to come in because that would impact on the number of apprentices.

John Hayes, South Holland and The Deepings, Conservative: The important work of sector skills councils is inhibited by the Government's emphasis on unelected regional authorities, and Ministers' preoccupation with the Train to Gain programme, which spends taxpayers' money funding training that people would fund themselves anyway. In confirming that the dead-weight costs of Train to Gain may be more than 80 per cent., will the Minister concede that he has finally listened to my complaints about this waste and so cut Train to Gain funding in the Budget and spend the money on apprenticeships instead?

Kevin Brennan: No, we will not do that. I am glad that the hon. Gentleman has raised the issue of regional development agencies, because his party's policy of abolishing those was described recently by the Engineering Employers Federation as a disaster. I do not know about other hon. Members, but when engineers warn me of impending disaster, I listen, and people should listen carefully to that advice.

Lords Written Questions: Post Office Banking



Lord Hylton: To ask Her Majesty's Government what response they have received to their consultation on post office banking services; and when the consultation closes.



Lord Young of Norwood Green, The Parliamentary Under-Secretary of State, Department for Business, Innovation and Skills: The Post Office Banking consultation closed on 24 February 2010. We have received over 1,000 responses, a summary of which will be published in due course

Lords Written Questions: Post Office Closures



Lord Hylton: To ask Her Majesty's Government whether they will ensure that no further post offices are closed in villages and towns without commercial banks until arrangements are made for widespread post office banking.



Lord Young of Norwood Green, The Parliamentary Under-Secretary of State, Department for Business, Innovation and Skills: The Government will not support a further programme of post office closures, and will continue to subsidise the non-commercial network beyond 2011. But neither the Government nor Post Office Ltd can prevent the closure of individual post offices where, for example, a sub-postmaster decides to retire or resign and a replacement cannot be found. In such cases Post Office Ltd will consider alternatives where possible, which may include one of the Outreach service options.

Stakeholder

Small businesses fail to grow because of complex tax rules

Research carried out by the **FSB** and **ICM** of over 1,600 small businesses showed that 75 per cent of small businesses believe that they would be able to grow their business if the UK tax system was simplified. Many businesses do not feel confident dealing with tax issues, with 66 per cent employing professional help. Half of businesses spend less than two hours per week on fulfilling their tax responsibilities, but for one in 10 it takes up more than six hours of their time.

<http://www.fsb.org.uk/policy/assets/fsb%20icm%20annual%20survey%20uk.pdf>

Business organisations urge small firms to say no to the National Insurance rise

The **Federation of Small Businesses** (FSB) has joined forces with other business and employment organisations to call on small firms to sign a petition urging the Government to freeze National Insurance. The FSB wants to see businesses using the petition to persuade the Government to reverse the planned one per cent rise in National Insurance and put a halt on any future rises in the foreseeable future. Raising taxes on small businesses must be a last resort if they are to do their job of helping to put the country on a steady road to recovery.

<http://www.fsb.org.uk/News.aspx?loc=general&rec=5973>

Business coalition battles 'tax on jobs'

Eight leading business groups have formed a coalition to fight a one percentage point rise in national insurance planned for April 2011, arguing that it would be a "tax on jobs". The coming together of the **CBI**, **British Chambers of Commerce**, **Institute of Directors**, **Federation of Small Businesses** and others is a measure of the anger that has built since Alistair Darling announced the rise – double the previous plan – in his pre-Budget report in December.

<http://www.cbi.org.uk/ndbs/press.nsf/0363c1f07c6ca12a8025671c00381cc7/bfb7fe8cd5119c258025737200534ce2>

No pay rise for '16 million workers'

A **YouGov** survey has suggested that as many as sixteen million workers, more than half the UK's workforce, do not expect to receive a pay rise this year. A further nine million expect to receive a pay rise below the rate of inflation. Among those who do expect a rise, nurses, civil servants and teachers expect the smallest salary increase. The survey also suggests a third of consumers in the UK think they will be worse off this year than last.

<http://news.bbc.co.uk/1/hi/business/companies/8544629.stm>

Scrap VAT exemptions to rescue economy, says think tank

The think-tank **Reform** has said that by eliminating exemptions on VAT, apart from for the poorest third of British households, enough would be raised to allow the abolition of the 50p tax rate and the introduction of a 0.5pc cut in National Insurance contributions. The measures it is proposing would see tax increases for the average household with an income of more than £17,000, but tax reductions for individuals earning above £105,000, because the 50p tax rate for the highest earners would no longer be introduced.

<http://www.reform.co.uk/Research/ResearchArticles/tabid/82/smId/378/ArticleID/1133/reftab/161/Default.aspx>

Tesco thwarted over Norfolk supermarket

Tesco has lost a controversial bid to site a supermarket in the centre of Sheringham in the latest twist in a decade-long battle by campaigners to resist the expansion of Britain's biggest supermarket into the Norfolk resort. Town councillors in Sheringham had opposed the store on Cromer Road on the grounds that it would harm the look and tradition of the town, increase traffic jams and hurt local independent traders.

<http://www.independent.co.uk/news/uk/home-news/tesco-thwarted-over-norfolk-supermarket-1916272.html>

Unjustified regulation in the food supply chain

The **British Retail Consortium** has outlined why the Grocery Market Ombudsman Bill (a Private Members' Bill) is unnecessary. They have stated that the new Groceries Supply Code of Practice (GSCOP), which came into force on 4 February 2010, has already tackled the issues that were raised in the Competition Commission inquiry, and to impose another unwanted quango on top of this will add nothing except additional costs to the supply chain - which will, ultimately, be picked up by consumers.

<http://www.brc.org.uk/details04.asp?id=1678>