CHANCE

Client briefing January 2011

UK Political Update: 10-14 January 2011

Week in Review – announcements and consultations

Energy and Climate Change Committee publishes report on deepwater drilling

On 6 January, the Select Committee of MPs chaired by Tim Yeo MP published its <u>2nd Report into UK Deepwater Drilling and the Implications of the Gulf of</u> <u>Mexico Oil Spill</u>. The report rules out a moratorium on deepwater drilling in the North Sea. It does, however, call on the government to ensure that standardised response plans are replaced by site-specific guidelines that take local conditions into account. The report also recommends that the identity of liable parties should be made clearer to ensure that taxpayers do not pay the bill for clean-up and compensation costs after a spill. To help ensure that companies are able to pay for clean-up and compensation costs, the report recommends that third party insurance should be considered for small exploration and production companies.

Committee Chairman Tim Yeo MP stated, "We cannot disregard the enormous benefits to the UK of having more oil and gas reserves". Nevertheless, companies need to sharpen up their response plans, "companies cannot continue producing 'cut and paste' oil response plans and rig operators must make it easier for staff to raise concerns without fear of intimidation."

Prime Minister and Lord Heseltine announce plans to boost regional growth

During a regional tour to the North West on 6 January, the Prime Minister and Lord Heseltine announced <u>plans to boost growth in all regions of the UK</u>.

Meeting members of the Liverpool City Region Shadow Local Enterprise Partnership (LEP), the Prime Minister announced that he was commissioning Tesco Chief Executive Sir Terry Leahy, a member of the Shadow LEP, Lord Heseltine and other Shadow Board members to produce a regional economic plan to stimulate growth in Liverpool.

A national LEP summit on growth and competitiveness in the Spring will bring together LEP Chairs from across the country to prioritise action to stimulate growth at a regional level. This will be supported by additional money, to help LEPs understand the issues facing local businesses, from a LEP Capacity Fund.

The Prime Minister, David Cameron, said, "This is a step change in the way regional growth is driven. And part of that step change is the Regional Growth Fund. We are saying to people – if you've got an idea to bring investment and wealth to your area, the \pounds 1.4 billion Regional Growth Fund is there to help make those good ideas happen."

Key Issues	
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Public bodies to be subject to greater scrutiny

Plans to extend the scope of the Freedom of Information Act (FOIA) to open up government and other bodies to greater public scrutiny, were unveiled by the Ministry of Justice on 7 January. The measures include: extending the scope of the FOIA to bodies such as the Association of Chief Police Officers, the Financial Services Ombudsman, and all companies wholly owned by more than one public authority (companies wholly owned by one public authority are already covered); consulting on extending FOIA to other bodies performing functions of a public nature, including harbour authorities, the Local Government Association and the NHS Confederation; limiting the right to withhold national archives, court records, ministerial correspondence and policy formulation from 30 years to 20 years; and carrying out post-legislative scrutiny to determine whether any further changes should be made.

Justice Minister Lord McNally commented, "The public deserves a Government that is open and accountable for its actions.... But the work does not stop here – we will be carrying out a full review of the FOI Act to ensure it is still operating in the most effective way."

Former MP David Chaytor sentenced to 18 months in prison

The former MP for Bury North, David Chaytor, who was convicted last month on three counts of theft by false accounting, in relation to Parliamentary expense claims, was sentenced to 18 months in prison on 7 January.

Cutting quangos won't cut costs

A report by the Public Administration Committee - <u>Public Administration Committee Report: Smaller Government:</u> <u>Shrinking the Quango State</u>, published on 7 January, argues that the government's "Bonfire of the Quangos" has been "poorly managed" resulting in badly drafted legislation that won't deliver significant cost savings or improved accountability.

The Committee raises concerns that the Public Bodies Bill does not contain sufficient safeguards to prevent the misuse of powers by Ministers. It also found that while the tests used to evaluate each public body "may have seemed superficially plausible at the outset, ...they are hopelessly unclear", and criticised the lack of proper procedure for departments to follow and of consultation with the bodies concerned or with the public.

The Committee says its review "has highlighted the complex and confusing landscape of UK public bodies", and calls on the government to re-examine the proper governance arrangements for each public body.

Bernard Jenkin MP, Chair of the Committee, said, "The Government needs to rethink which functions public bodies need to perform and consider transferring some of these functions over to mutuals and charities."

People on the Move

Access to Education

Deputy Liberal Democrat Leader Rt **Hon Simon Hughes MP** was appointed, on 29 December 2010, as the government's Advocate for Access to Education, to work with the government to ensure that its policy goal of increasing participation in higher education by those from the most disadvantaged backgrounds is met.

Animal Health & Veterinary Laboratories Agency

Catherine Brown was appointed, on 23 December 2010, as first Chief Executive of new Animal Health and Veterinary Laboratories Agency (AHVLA), which will come into being on 1 April 2011. She is currently Chief Executive of Animal Health, one of the two agencies being merged to form the new body.

Foreign Office

Marianne Young Head of External Political Section, Pretoria was appointed British High Commissioner to the Republic of Namibia on 23 December 2010, replacing Mark Bensberg with effect from June 2011.

Ministry of Defence

Jon Day a career Civil Servant in the Ministry of Defence since 1979 was appointed as 2nd Permanent Under Secretary to MOD on 4 January 2011, tasked with implementing the changes resulting from the Strategic Defence and Security Review (SDSR) and the Defence Reform Unit. He will be responsible for a range of cross-departmental business including governance, propriety, safety and business process. He will also be a member of the Executive Committees of all three armed services. He takes up the post on 10 January.

National Museum of Science and Industry

On 5 January 2011 the following were appointed trustees to the Board of the National Museum of Science and Industry for a period of four years from 5 January 2011:

Lord Faulkner Labour Peer and former Whip (Transport) in the Lords; James Smith former Chairman of Shell UK and President of Energy Institute; and Simon Linnett Executive Vice Chairman of Investment Banking at Rothschild in London.

No 10 Press Team

Henry Macrory former Daily Express/Daily Star lobby journalist is to leave Downing Street to return to CCHQ as Deputy Political Director, running the party's media operations. He will be replaced as Political Head of Press at No 10 by Tory Press Officer Alan Sendorek.

Regional Growth Fund

Tesco Chief Executive **Sir Terry Leahy**, a member of the Shadow Local Enterprise Partnership, Lord Heseltine and other Shadow Board members have been tasked with producing a regional economic plan that will stimulate growth in Liverpool. Government announced further details for its £200 million national network of elite Technology and Innovation Centres that will work in partnership with universities and businesses to turn their research into commercial business ideas.

The membership of the Independent Advisory Panel for the Regional Growth Fund is:

Lord Heseltine Chair; Sir Ian Wrigglesworth Deputy Chair; Felicity Goodey Businesswoman, former senior BBC journalist; Tony Greenham Programme Head, New Economics Foundation; Sir Richard Lambert Director General, CBI; Jon Moulton Chairman, Better Capital equity group; Caroline Plumb Entrepreneur, Freshminds; Sir David Rowlands Chair of Gatwick Airport Ltd & Angel Trains Group Ltd; Mark Seligman Chartered Accountant & Banker, Credit Suisse; Andrew Shilston Finance Director, Rolls Royce; Lord Shipley Former Leader Newcastle City Council; and Tony Venables Academic Economist, Oxford UniversityRoger Witcomb Chair of Governors, University of Winchester was appointed as a new Deputy Chairman to the Competition Commission.

This Week in Parliament

House of Commons – selected forthcoming business

10 January

- Armed Forces Bill: Second Reading and programme motion
- Debate on unscrupulous lenders

11 January

- European Union Bill: Committee of Whole House (Day 1)
- Ten Minute Rule Bill: Food Labelling Regulations (Amendment)
- Debates on: community cohesion; affordable rural housing; York's application for World Heritage status; prisoner transfer agreement with Libya; and pre- and post-16 benefit entitlements for disabled people

12 January

- Postal Services Bill: Remaining stages
- Ten Minute Rule Bill: Dairy Farming
- Debates on: biotechnology and food security; cost reductions in government IT procurement; and government proposals for planning control

13 January

- National Insurance Contributions Bill: Remaining stages
- Debate on impact of Comprehensive Spending Review on Department for Communities and Local Government

House of Lords – selected forthcoming business

10 January

- Parliamentary Voting System and Constituencies Bill: Committee of Whole House (Day 7)
- Debates on: excluding expenditure on accounts for the Budget signed off by the European Court of Auditors from the contribution imposed on member states; government plans to provide a financial contribution to the new agency UN Women launched on 1 January; and equal rights of succession to the Throne for daughters of the sovereign and Roman Catholics

11 January

- Public Bodies Bill (Lords): Committee of Whole House (Day 6)
- For Approval: Revised Draft Overarching National Policy Statement for Energy; revised Draft National Policy Statement for Fossil Fuel Electricity Generating Infrastructure; revised Draft National Policy Statement for Renewable Energy Infrastructure; revised Draft National Policy Statement for Gas Supply Infrastructure and Gas and Oil Pipelines; and revised Draft National Policy Statement for Electricity Networks Infrastructure
- Debates on: financial impact on consumers of changes proposed to UK's private electricity networks; effect of Air Passenger Duty revenue on UK competitiveness; EU policy priorities to be promoted by UK during Hungarian presidency; issuing of visas and passports in Latin America

12 January

- Parliamentary Voting System and Constituencies Bill: Committee of Whole House (Day 8)
- Re-Export Controls Bill (Lords): Third Reading
- Debates on: level of underwriting fees in UK finance and insurance market; how government proposes to meet Millennium Goal 5 (improving maternal health and maternal morbidity)

13 January

 Debates on: Victoria and Albert Museum's Purchase Grant Fund; importance of behavioural and procedural conventions in the Chamber; economic and strategic role of Turkey in Europe; proposed changes to NHS and effect on front-line and specialised services; and revised Draft National Policy Statement for Nuclear Power Generation, Volumes I and II

House of Commons – forthcoming Public Bill and other General Committee meetings

10 January

- European Committee B: EU documents relating to Council recommendation on broad guidelines for economic
 policies of Member States and of Union Part I of Europe 2020 Integrated Guidelines and relating to proposal for
 Council Decision on guidelines for employment policies of Member States Part II of the Europe 2020 Integrated
 Guidelines
- Third Delegated Legislation Committee: Export Control (Amendment) (No. 3)

House of Commons - forthcoming Select Committee meetings

10 January

Communities and Local Government: localism

11 January

- Treasury: Competition and choice in banking; financial regulation
- Transport: the cost of motor insurance
- International Development: the future of DfID's Programme in India
- Justice: draft Sentencing Guidelines on Assault
- Environment, Food and Rural Affairs: The impact of Common Agricultural Policy reform on UK agriculture
- Home Affairs: police financing

12 January

- Science and Technology: technology innovation centres
- Education: the role and performance of Ofsted
- Work and Pensions: work programme
- Public Administration: Departmental Business Plans and implementation of the government's reform agenda
- Foreign Affairs: the role of the FCO in UK government
- Environmental Audit: Green Investment Bank
- Northern Ireland Affairs: corporation tax in Northern Ireland
- Public Accounts: youth justice

13 January

 Political and Constitutional Reform: constitutional implications of the Cabinet Manual Treasury: European Financial Regulation

House of Lords –forthcoming Select Committee meetings

11 January

- Science and Technology: public procurement
- Economic Affairs: Auditors: market concentration and their role
- Science and Technology Sub-Committee I: behaviour change
- European Union: the EU Financial Framework from 2014

12 January

- EU Sub-Committee D: agriculture, fisheries and environment: Innovation in EU agriculture
- EU Sub-Committee F: Home Affairs: the EU Internal Security Strategy

13 January

EU Sub-Committee G: social policies and consumer protection: grassroots sport and the EU

This Client briefing does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

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