

WEEK IN WESTMINSTER

Week ending Friday 16 March

Breedon review publishes SME finance proposals

An independent taskforce on non-bank lending, chaired by Tim Breedon, CEO of Legal & General plc, has published proposals to widen business access to alternative sources of finance. The report, 'Boosting finance options for business', outlines that anticipated growth in demand for finance as the economy recovers, and the expected constraint on availability from banks and other sources, could create a finance gap for businesses of £84 billion to £191 billion over the next five years. The taskforce states its belief that there is significant potential to develop both the demand and supply of non-bank lending to match the financial landscape of countries like Germany and the US. The report contains a number of key recommendations to Business Secretary Vince Cable, which include: industry to establish a kitemarked Business Finance Advice network as an alternative point of contact to banks for information about raising finance; a single brand and delivery agency to increase awareness of government's SME finance programmes; reinforcement of prompt payment to be led by companies in government's supply chain; and encouragement for large businesses to utilise supply chain financing to invest in smaller suppliers. Commenting on the report, Vince Cable stated: "Tim Breedon's taskforce has brought together industry, investors and advisers to provide evidence and ideas on increasing the range of finance sources available to small businesses, and I hope this will represent a turning point in business finance in this country".

(Source: BIS)

<http://www.bis.gov.uk/policies/enterprise-and-business-support/access-to-finance/taskforce>

All-Party Parliamentary Motor Group discuss sustaining growth in 2012

The All-Party Parliamentary Motor Group met on Tuesday 13 March, to discuss how the automotive sector can sustain growth in 2012. With speakers including Iain Wright MP, Shadow Business Minister, and John Leech, UK Head of Automotive at KPMG,

the discussion focused on the need for a stable and consistent framework in order to provide confidence for investors and consumers to help the sector grow. The upcoming Budget was also discussed, with SMMT Chief Executive, Paul Everitt emphasising industry's request for government to deliver on taxation reforms, particularly on the important R&D tax credit system promised in the Autumn Statement, and reiterated calls for government to act on its growth strategy as well as sustaining consumer confidence.

(Source: SMMT)

<http://www.smmt.co.uk/2012/03/budget-needs-to-sustain-investment-says-uk-automotive/>

Automotive manufacturing up 21.4% in February

SMMT has released automotive manufacturing figures for February 2012, showing an increase in vehicle production of 21.4% year-on-year. Car manufacturing increased by 23.5% over the year; however commercial vehicle output fell slightly by 2.7%. UK engine production increased by 3.6%. SMMT outlined that the increase in car production demonstrated that there was a trend of strong export-led growth, confirming the importance of manufacturing to a rebalanced economy and prosperous economy. SMMT Chief Executive Paul Everitt said: "The UK automotive sector continues to attract investment and generate new jobs. Despite recent success there can be no complacency and it is essential the Chancellor uses next week's Budget to deliver on its growth strategy and boost the UK's competitiveness by encouraging private sector investment in R&D, capital equipment and skills".

(Source: SMMT)
<http://www.smmt.co.uk/2012/03/smmt-uk-utomotive-manufacturing-february-2012/>



Transport Select Committee to undertake inquiry on Low Carbon Vehicles

The House of Commons Transport Select Committee has announced that it will undertake an inquiry into low carbon vehicles. The Committee will look at the potential for plug-in vehicles to contribute to decarbonising transport and Government action to facilitate this. Particular issues of note include the uptake of plug-in vehicles; the effectiveness of the Plugged-In Places scheme; the role of plug-in vehicles alongside other technologies to reduce carbon emissions from road transport; and action taken by other countries to encourage plug-in vehicle uptake. The deadline for written evidence is Monday 16 April. (Source: Parliament.uk)

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/transport-committee/news/low-carbon-cars/>

Business Secretary delivers speech at Mansion House

Secretary of State for Business, Innovation and Skills Vince Cable has delivered a speech at the annual trade and industry dinner hosted by the Lord Mayor of London at Mansion House. Dr Cable used the occasion to reemphasise the importance of access to credit and finance to the 'real economy'. He said that the UK has a premier banking and financial sector but that the UK's business finance system was second rate, voicing concern that a disconnect exists between the financial services industry and the rest of the economy. (Source: BIS)

http://www.bis.gov.uk/news/speeches/vince-cable-mansion-house-speech-2012?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+bis-speeches+%28BIS+Speeches%29

Commission approves government's loan guarantee schemes

The European Commission has announced that the two government schemes looking to ease access to credit for SMEs have been granted state aid approval. The National Loan Guarantee Scheme announced in 2011's Autumn Statement, looks to reduce costs of

finance for small and mid-sized companies by providing government guarantees to banks of up to £20 billion. The Business Finance Partnership, the second scheme to be approved, looks to secure £1 billion of funds through the supply of credit from non-bank lending channels. Joaquín Almunia, Vice-President of the Commission in charge of competition policy said: "Facilitating SMEs access to finance is a Commission priority to overcome the crisis. The National Loan Guarantee Scheme will reduce borrowing costs for SMEs thanks to a State guarantee, without unduly distorting competition".

(Source: European Commission)

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/244&format=HTML&aged=0&language=EN&guiLanguage=en>



Week ahead

Commons Chamber

Wednesday 21 March, 12:30pm – The chancellor will deliver the Budget 2012 statement.

Commons Select Committees

Tuesday 20 March

Science & Technology: Sub Committee 1 (3:15pm, room 3) – Higher education in STEM subjects

Thursday 22 March

Political and Constitutional Reform Committee (10:00am, Wilson room)

Introducing a statutory register for lobbyists

Lords Chamber

Thursday 22 March

Debate on the UK economy in the context of the Budget statement (5 hours).