

WEEK IN WESTMINSTER

Week ending Friday 25 March

Chancellor announces 2011 Budget

Chancellor George Osborne has delivered the Budget for 2011. The Budget builds on the actions announced in the October 2010 Comprehensive Spending Review and the June 2010 Emergency Budget. The Chancellor led with three key messages in the Budget; the promotion of a stable economy, growth and fairness. George Osborne outlined measures to extend tax relief for small businesses while also boosting confidence in businesses looking to grow. However the main focus of the Budget was the lowering of fuel duty by 1p and abandoning the planned 1p increase. Further measures included the increase of VED in line with RPI, a reduction of 2% this year in Corporation Tax as opposed to a planned 1% reduction, an enhancement of capital allowances and an additional 40,000 apprenticeships. (Source: HM Treasury)

www.hm-treasury.gov.uk/2011budget.htm



Government announces a “Plan for Growth”

Government has published its “Plan for Growth” alongside the Budget, detailing the outcomes of the first set of Growth Reviews launched in November 2010, including the Advanced Manufacturing Review. The plan for growth is based around four themes for the British economy; to create the most competitive

tax system in the G20, make the UK the best place in Europe to start, finance and grow a business, encourage investment and exports as a route to a more balanced economy and to create a more educated workforce that is the most flexible in Europe. The “Plan for Growth” builds on the plans intended by government to bring about macroeconomic stability through a deficit reduction plan announced last year. It brings in around 100 new measures to ease the burden of regulation; create a pro-growth planning system; support private sector investment and provide people across the UK with the skills and opportunities to work. (Source: HM Treasury)

www.hm-treasury.gov.uk/ukecon_growth_index.htm

OBR forecasts are optimistic - IFS

Unlike Chancellor George Osborne’s June 2010 Budget and October 2010 Spending Review, the Institute for Fiscal Studies (IFS) believes the 2011 Budget was not a big fiscal event. The IFS believes the net impact on the public finances of all announcements was minimal and the effective tightening over the next four years remains strong. However, the IFS is less optimistic on the future growth figures in the economy than the independent body set up by the present government, the Office for Budget Responsibility (OBR). The OBR acknowledges the biggest threat to the public finances is “the possibility that we have over-estimated the amount of spare capacity in the economy, now or in the future”. Consequently, the IFS believe their forecasts are more dependent on a bounce back in the rate of economic growth from 2013. The OBR cut its growth forecasts for 2011 and 2012, maintained it for 2013 and raised them for 2014 and 2015. An overestimate of potential output of just 1.5% would, on the OBR’s estimates, be sufficient to breach the government’s fiscal mandate. Paul Johnson, Director of the IFS, said: “Given these forecasts it is clear why a Chancellor, sticking to his plans, did not feel able to engage in a net giveaway. Going forward he is going to be uncomfortably dependent on the judgments that the OBR makes over the potential output of the economy.” (Source: IFS)

http://www.ifs.org.uk/pr/budget2011_pr.pdf



Mayor helps the capitals electric vehicle users

Ahead of the launch of Source London, the Mayor's charge point network, Steve Smith, TfL's Project Manager for Source London, has spoken about "turning London electric". While London has a quarter of all electric vehicles in the UK registered in the capital, the Mayor wants to see even more electric vehicles on London's streets. This spring the Mayor will launch Source London, the capital's network of publicly accessible charge points. Source London is set to deliver at least 1,300 public charging points across London by 2013 as part of the Mayor's plans for London to have 100,000 electric vehicles on its streets. This is in line with his commitment to improve air quality by introducing low and zero-emission transport. Over the next two years hundreds of points will be installed throughout London and by 2013 London will have more charge points than petrol stations. (Source: Mayor of London)
www.london.gov.uk/blog/helping-londoners-plug-electric-vehicles

Week ahead

Commons Chamber

Thursday 31 March
10.30am: Business, Innovation and skills questions (topical questions at 11.15am).
Business statement.

Westminster Hall

Tuesday 29 March
1.30pm-2.00pm: Road vehicle wheel safety (Paul Goggins, Lab, Wythenshawe and Sale East).

Commons Committees

Tuesday 29 March

10.30am: Business, Innovation and Skills
Subject: The future of higher education
Witness(es): Universities UK, Guild-HE, The Russell Group, The 1994 Group, University Alliance and million+
Location: Committee Room 15, Palace of Westminster

Thursday 31 March
10.00am: Business, Innovation and Skills
Subject: The Government's strategy for growth
Witness(es): Rt Hon Vince Cable MP, Secretary of State for Business, Innovation and Skills
Location: Committee Room 15, Palace of Westminster

Lords Chamber

Monday 28 March
Motion to approve the Road Vehicles (Power to Stop) Regulations 2011.

Tuesday 29 March
2.30pm: Oral questions, to ask the government:
What is the timetable for implementing the increased maximum ethanol content in petrol; and what effect the change will have on the engines of classic and vintage vehicles (Lord Steel of Aikwood, Lib Dem).

Wednesday 30 March
3.00pm: Oral question, to ask the government:
What support they plan to give 16-19 year olds in further education (Lord Willis of Knaresborough, Lib Dem).

Thursday 31 March
Main business:
Debate on the case for policies to support economic growth and to promote investment, innovation, technology, infrastructure, skills and job creation (Lord Hollick, Lab).