

## WEEK IN WESTMINSTER

Week ending Friday 7 October

### “Credit easing” key economic announcement at Conservative conference

Prime Minister, and Leader of the Conservative Party, David Cameron, has delivered his keynote speech to the Conservative Party conference in Manchester, where he warned that the threat of global recession was as serious as it was in 2008, and urged the “spirit of Britain” to help the country through this difficult economic time. Mr. Cameron’s speech was delivered on the day that the Office of National Statistics halved its economic growth estimate for the UK for the second quarter of 2011, down to just 0.1%. However Mr. Cameron rejected Labour calls for a slowdown in Chancellor Osborne’s deficit reduction plan, stating “Our plan is right and our plan will work”. There were few significant policy announcements in Mr. Cameron’s speech; however in Chancellor George Osborne’s earlier speech to conference, he announced that government would look at the options to get credit flowing to small firms through “credit easing”. This proposal plans to inject money directly into parts of the economy most in need, for example small businesses, without adding to the deficit, through the public sector buying bonds issued by companies. However full details of this scheme will not be revealed until the Chancellor’s autumn statement in November. In a separate move the Bank of England (BoE) has announced that it will inject £75 billion into the UK economy through quantitative easing (QE). This is the BoE’s first QE programme since 2009, and is aimed at ensuring that inflation is kept on track to meet the BoE’s 2% target in the medium term. (Source: BBC News)

<http://www.bbc.co.uk/news/uk-politics-15149819>

### Labour announce Shadow Cabinet reshuffle

Labour Leader Ed Milliband has announced a wide-ranging shadow cabinet reshuffle, following the vote at the Labour Party conference which scrapped shadow cabinet elections, giving the party leader free reign over appointments. Key changes include the

departure of John Denham MP from the position of Shadow Business Secretary, replaced by Chuka Umunna MP, previously Shadow Business Minister. Denham will become Ed Miliband’s Parliamentary Private Secretary. Rachel Reaves MP replaces Angela Eagle MP as Shadow Chief Secretary to the Treasury. Hilary Benn MP moves from Shadow Commons Leader to Shadow Secretary of State for Communities and Local Government, replacing Caroline Flint who moves to replace Meg Hillier MP as Shadow Secretary of State for Energy and Climate Change. Andy Burnham MP moves from Shadow Education Secretary to Shadow Health Secretary, replaced in the education brief by Stephen Twigg MP. Maria Eagle MP remains as Shadow Transport Secretary. (Source: Labour)

<http://www.labour.org.uk/labours-shadow-cabinet>



### New car registrations stable in key September market

Figures published by SMMT show that the September plate-change saw 332,476 new cars registered in September, down just 0.8% on 2010. The growth in fleet volumes supported the market, up 7.3% with private volumes down 9.3%. New car registrations, in quarter three were down just 0.7% on 2010, and year-to-date registrations were down 5% on a year ago. SMMT expect the full year new car market to end 5.3% below 2010 levels at 1.92 million units. Commenting on the figures, SMMT Chief Executive Paul Everitt stated: “The all-important September market outperformed expectations and is less than

1% below last year at 332,476 units. SMMT has revised down its 2012 registrations forecast to 1.96 million units; a reflection of the continued weakness in UK domestic demand and the uncertainty across European economies. It is important government acts to sustain an investment-led recovery and implements measures to encourage more private sector investment in R&D, skills, new plants and machinery". Commercial vehicle registrations also remained strong up 8.8% to 43,442 units in September and up 20.9% for the rolling year to 293,703 units. (Source: SMMT) <http://www.smmt.co.uk/2011/10/new-car-registrations-stable-in-key-september-market/>

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## SMMT host lunch at Conservative conference

SMMT hosted a lunch event at the Conservative Party Conference in Manchester to discuss UK automotive's contribution to the country's economy and chief role in stimulating growth. SMMT and industry representatives met senior Conservative MPs, MEPs and industry stakeholders including Robert Goodwill MP, Assistant Government Whip; Jacqueline Foster, MEP for the North West; Tim Yeo MP, Chair of the Energy and Climate Change Select Committee. Minister for Business and Enterprise, Mark Prisk MP opened the lunch, highlighting the key issues and opportunities facing the automotive industry, and its position in government's renewed focus on the manufacturing sector. Mr Prisk added that the automotive sector was leading on exports and skills, while working with government to promote growth. SMMT Chief Executive, Paul Everitt spoke on behalf of UK automotive, outlining industry's full commitment to work collaboratively with government to ensure long-term economic growth. SMMT urged political decision makers to adopt a robust growth strategy and called for targeted measures that would unlock greater private sector investment into R&D, specialist skills training and plant facilities to strengthen the UK supply base. Also attending the event were Kulveer Ranger, the Mayor of London's Director of Environment and Digital London; Steve Baker MP, Member of the Transport Select Committee; Robert Buckland MP; Jeremy Wright MP; Mark Lancaster TD MP, as well as MEPs Emma McLarkin; Rt Hon Sir Robert Atkins; Sajjad Karim; Philip Bradbourn OBE and London Assembly Members Roger Evans and Richard Tracey. (Source: SMMT) <http://www.smmt.co.uk/2011/10/smmt-meets-key-conservative-representatives-at-party-conference-in-manchester/>



## BIS announce policies aimed at boosting UK growth

The Department for Business Innovation and Skills (BIS) has announced a raft of policies aimed at boosting growth in the UK economy. £145 million will be invested to improve Britain's e-infrastructure, boosting growth and innovation across sectors that rely heavily on computing including manufacturing, engineering and design. The investment is also aimed at providing industry with the latest technology and facilities, reassuring private investors of the attractiveness of the UK as a place to do business. Government is also investing £20 million to boost skills and drive growth in key industries through the Growth and Innovation Fund. Business Secretary, Dr Vince Cable stated: "Sustained economic recovery will depend on our ability to excel in the high tech skills that our most innovative companies need to compete in the globalised economy. That is why this Government is committed to skilling up our workforce through work based training". BIS have also announced a consultation entitled "Audit Exemptions and Change of Accounting Framework", which sets out plans to allow more small companies and subsidiaries to decide whether or not to have an audit, under government's Red Tape Challenge scheme, aimed at reducing regulatory burdens. Under the new proposals, UK SMEs would be eligible for audit exemption by meeting any two of the three criteria, saving them an estimated £206m per year. Government is also proposing to introduce legislation in 2012 to exempt most subsidiary companies from mandatory audit, provided their parent is prepared to guarantee their debts. Savings are estimated by BIS at £406m per year. (Source: SMMT) <http://www.bis.gov.uk/news/topstories/2011/Oct/new-rules-accountancy-and-reporting-fees>

# Week ahead

## **Commons Chamber**

No relevant activity

## **Westminster Hall**

Wednesday 12 October

Disable access to public transport – 2:30pm - 4:00pm

## **Commons Committees**

Tuesday 11 October

Energy and Climate Change Committee (10:30 am  
room 6) - The EU Emissions Trading System

Transport Committee (1:45pm, Wilson room)

The cost of motor insurance

## **Lords Chamber**

No relevant activity

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No relevant activity