

Policy Inform: Business

July 2016

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Introduction

Wirral Plan:

The Wirral Plan: A 2020 Vision sets out a shared partnership vision to improve outcomes for Wirral residents. The Plan focuses on three key priority areas: People, Business and Environment.

The Wirral Plan Business Priority states:

“Wirral is a place where employers want to invest and businesses thrive”.

Business Policy Briefing:

This policy briefing paper is intended to provide Members of the Business Overview & Scrutiny Committee with the latest position on emerging policy and legislative developments to support the committees work programme and future scrutiny work.

The following table outlines the timetable for the preparation and reporting of policy briefing papers:

Overview & Scrutiny Committee Briefings	
July 2016	The first policy briefing will focus predominately on the Queen’s Speech, which will establish the Government’s legislative programme for the parliamentary year ahead.
September 2016	The second policy briefing will be produced in September; it will provide an update on policy and legislation and will focus on Wirral Implications relevant to the government’s programme of legislation as outlined in the previous policy briefing.
January 2017	The third policy briefing will focus on the Autumn Statement and the Spending Review which sets out how Government money will be allocated. The policy briefing will provide an update on policy and legislation and will consider relevant implications for Wirral.
May 2017	The fourth policy briefing will focus upon the 2017 Chancellor of Exchequers Budget. The policy briefing will provide an update on policy and legislation and will consider relevant implications for Wirral.

The July policy briefing focuses on the policies and legislation that have emerged from the Queens speech, which was delivered on 18th May 2016. This policy briefing focuses specifically on policies and legislation relating to the Business Priority.

The Committee may wish to identify specific policy areas to focus upon which are in line with the Committee’s work programme. Detailed briefing papers can be prepared for these subject matters

at the request of the Committee which would be in addition to the regular policy briefing papers outlined above.

Queen's Speech 2016- Designation to Overview & Scrutiny Committees

On Wednesday 18th May 2016, the Queens Speech was delivered, outlining the Government's programme of legislation and policies for the coming year. Below is a list of each individual Bill which will have implications for local government that was announced during the speech, including those Bills carried over from the 2015-16 session. The list identifies the Overview & Scrutiny committee with whose remit the legislation most closely aligns:

Legislative Plans	Overview & Scrutiny Committee
Neighbourhood Planning and Infrastructure Bill	Business and Environment
Bus Services Bill	Business
Local Growth and Jobs Bill	Business
Digital Economy Bill	Business
Modern Transport Bill	Business
High Speed Rail Bill	Business
Better Markets Bill	Business
Children and Social Work Bill	People
Education for All Bill	People
Higher Education and Research Bill	People
National Citizen Service Bill	People
Finance Bill	People and Business
Policing and Crime Bill	People and Environment
Soft Drinks Industry Levy	People and Environment
Lifetime Savings Bill	People and Environment
Prison and Courts Reform Bill	Environment
Investigatory Powers Bill	Environment

Additional Bills that have been announced are outlined below. These will be monitored in relation to any emerging implications for Local Government and reported to the relevant Overview & Scrutiny Committee as appropriate.

Additional Legislative Plans
Wales Bill
Bill of Rights
Criminal Finances Bill
Counter-Extremism and Safeguarding Bill
Cultural Property (Armed Conflicts) Bill

Small Charitable Donations Bill
NHS (Overseas Visitors Charging) Bill

The Bills relevant to the Business priority are discussed in further detail in this paper.

Queen's Speech 2016- Emerging and Ongoing Legislation

Neighbourhood Planning and Infrastructure Bill

"To support the economic recovery, and to create jobs and more apprenticeships, legislation will be introduced to ensure Britain has the infrastructure that businesses need to grow."

Synopsis and Key Points:

- **Synopsis:**

- The Neighbourhood Planning and Infrastructure Bill will reform planning and give local communities more power and control to shape their own area so that we build more houses and give everyone who works hard the chance to buy their own home.

- **Key Points:**

- The Bill will include measures to reform and speed up the planning process by minimising delays caused by pre-commencement planning conditions.
- A new statutory basis will be introduced for the independent National Infrastructure Commission, to help invest in Britain's long-term future.
- Processes will be streamlined to support neighbourhoods to come together to agree plans that will decide where things get built in their local area.
- The compulsory purchase order process will become clearer, fairer and faster for all those involved. Including reform of the context within which compensation is negotiated.
- New legislation will enable the privatisation of Land Registry, which will support the delivery of a modern, digitally-based land registration service that will benefit the Land Registry's customers.

Bus Services Bill

“Further powers will be devolved to directly elected mayors, including powers governing local bus services.”

Synopsis and Key Points:

- **Synopsis:**

- The purpose of the Bus Services Bill is to give elected mayors and local transport authorities the power to improve bus services for the people who use them and help cut congestion. The Bill was announced in the May 2015 Queen’s Speech but not introduced during the Parliamentary session.

- **Key Points:**

- New powers to franchise services will be made available to combined authorities with directly elected Mayors to allow them to take control of their services as Transport for London does in London.
- Applications from other local authorities will be considered on a case by case basis.
- Bus companies will be required to make data about routes, fares and times freely available. This will allow app developers to produce new journey planners and other products, giving passengers better information about how to make the most of local bus services.
- Local authorities will be able to use new powers to set required standards of service with bus providers, including branding, ticketing and the frequencies of services.

Further Detail:

- Buses are England’s most used form of public transport with over 4.65 billion journeys completed in financial year 2014 to 2015. Without buses, rush hour congestion in city centres would be 21% higher costing millions of pounds in lost time.
- The new legislation will mean that software developers can access ‘open data’ with route and timetable information, so they can introduce new apps that will benefit passengers. It is estimated that new apps that tell passengers when the next service will turn up will alone lead to an extra 5 million bus journeys a year.

Local Growth and Jobs Bill

“Allow local authorities to retain business rates, giving them more freedom to invest in local communities.”

Synopsis and Key Points:

- **Synopsis:**

- The Local Growth and Jobs Bill will deliver the biggest change in local finance for decades, giving local authorities full control of the money they raise through business rates, so they can attract business and investment to their local areas.

- **Key Points:**

- Up to £13 billion will be transferred to councils through allowing them to retain 100% of the business rates they collect.
- The Bill will strengthen local areas the ability to reduce the business rates tax rate.
- New measures will be introduced to allow combined authority mayors to levy business rate supplements in order to fund infrastructure projects where there is the support of local business.

Digital Economy Bill

“Create the right for every household to access high speed broadband.

“Make the United Kingdom a world leader in the digital economy.”

Synopsis and Key Points:

- **Synopsis:**

- The Digital Economy Bill will modernise our climate for enterprise, making sure Britain remains at the forefront of the global 21st century economy so that businesses can continue to create jobs and families remain financially secure.

- **Key Points:**

- The Bill will give every household a legal right to a fast broadband connection.
- New laws will be introduced to help telecommunications providers build the infrastructure needed for faster broadband and better mobile networks.
- A new power for Ofcom to order communications providers to release data in the interests of the consumer and competition. This will help consumers to make informed choices.
- Consumers will be automatically compensated when things go wrong with their broadband service.
- New measures will make switching providers easier for consumers by allowing Ofcom to require communications companies to coordinate switches on behalf of customers.
- The Bill will reform the way government uses data to deliver better public services and produce world-leading research and statistics.

Further Detail:

- New evidence published on 25 May 2016 shows that consumers appreciate quick and reliable switching, on an agreed date.
- Following this the government is taking the first step towards consistently quicker switching across all major services by setting out proposals which could allow consumers to switch provider in a week or less. The government is asking consumers and industry for evidence of how these proposals could be implemented and new rules could be in place as soon as next year.
- **Culture Secretary John Whittingdale said:**
“We are more reliant on broadband and phone services than ever before. So we want it to be as easy as possible for consumers to spot the best deal for them, and switch providers quickly and easily if they want to. The measures we are introducing will help make sure consumers are better informed about the quality of these services and the switching process is much simpler.

Modern Transport Bill

“Ensure the United Kingdom is at the forefront of technology for new forms of transport.”

Synopsis and Key Points:

- **Synopsis:**

- The Modern Transport Bill will put Britain at the forefront of the modern global transport developments as part of the country’s long term economic plan and ensure new technology delivers better, safer journeys, while keeping Britain at the cutting edge of international transport technology.

- **Key points:**

- The Bill will cut red tape and put the right framework in place to allow innovation to flourish.
- New legislation will enable the future development of the UK’s first commercial spaceports.
- New laws will be introduced to make the UK ready to pioneer driverless cars.
- New rules will bring safe commercial and personal drone flight for households and businesses a step closer.
- Protection for customers will be improved by updating ATOL, the UK’s financial protection scheme for holidays by clarifying the 1992 legislation that pre-dates people booking their holidays on the internet.

High Speed Rail (London-West Midlands) Bill

Synopsis and Key Points:

- **Synopsis:**
 - The High Speed Rail Bill will carry over from the previous Parliamentary session. The purpose of the Bill is to provide the Government with the legal powers to construct and operate Phase One of High Speed 2 (HS2). On becoming an Act, it will give the Government deemed planning permission for the railway between London and the West Midlands.
- Key points:**
- HS2 will free up space on our currently crowded rail network; this is vital to sustainable economic growth.
 - It will also improve connectivity, helping to rebalance the economy.
 - And help stimulate urban regeneration, create new jobs and boost skills.

Further Detail:

- On 9 May 2016 the government announced details of nearly £80 million in funding to support the creation of 5 new National Colleges which will ensure the UK has skilled people in industries crucial to economic growth, including high speed rail, nuclear, onshore oil and gas, digital skills and the creative industries.
- The National College for High Speed Rail will provide the specialist training, skills and qualifications required to build HS2 and future rail infrastructure projects.
- Construction of the National College for High Speed Rail began on 9 May on its two sites in Doncaster and Birmingham. The College is on track to open its doors to students in September 2017.
- **Minister of State for Transport Robert Goodwill, said:**
“This shows the transformational effect that HS2 is already having on our country - boosting skills, generating jobs and supporting economic growth”.

Better Markets Bill

“Improve Britain’s competitiveness.”

Synopsis and Key Points:

- **Synopsis:**

- The Better Markets Bill will open up markets, boost competition, give consumers more power and choice and make economic regulators work better.

- **Key Points:**

- The Bill will encourage consumers to switch providers and get a better deal, supporting the manifesto commitment to help keep bills as low as possible.
- It will speed up the decision making process for competition investigations and make the whole process easier for businesses and better for consumers.
- More power will be given to competition authorities to take on anti-competitive behaviour.
- The landscape for economic regulation will be improved.
- Steps will be taken to ensure open and competitive markets keep costs low and deliver for bill payers.
- To help businesses regulatory processes will be simplified and unnecessary requirements removed.

Further Detail:

- On 25 May 2016 the Department for Business, Innovation and Skills has published a series of proposals seeking views on the best way to deliver them. These include:

- Proposals for a 7 day period within which people can switch providers across a range of key services, and exploring what more can be done to give consumers the power to compare products and switch quickly.
- Considering whether or not the landscape in regulated sectors can be improved to help consumers when things go wrong, and looking at measures to enhance the current system.
- Promoting competition and opening up markets to make the UK’s competition regime even faster and more decisive.

- **Business Secretary Sajid Javid said:**

“I want to create an environment that backs consumers by promoting competition. By opening up markets we can ensure consumers get the best deal possible for the services they need. The government is committed to stripping out burdensome rules and empowering people to make the best decisions available to them.”

Finance Bill

Synopsis and Key Points:

- **Synopsis:**

- The purpose of the Finance Bill is to introduce measures to provide opportunity for families who work hard and save; back British businesses; and tackle multinational tax avoidance.

- **Key points:**

- The personal allowance will be increased to £11,500 and the higher rate threshold to £45,000.
- A new personal savings allowance will be introduced so that 95% of taxpayers will pay no tax on the first £1,000 of savings income if they are a basic rate taxpayer.
- Corporation tax will be cut to 17% in 2020.
- Radical action will be taken on the oil and gas tax regime to safeguard jobs and encourage investment.
- New rules will be introduced to address hybrid mismatch arrangements and ensure payments for the use of intellectual property based overseas are subject to tax.
- New measures will ensure that profits from the development of UK property are always subject to UK tax.

Further Detail:

- The Finance Bill was introduced into Parliament on 24 March 2016.

Recent National Legislation

Enterprise Act 2016

Synopsis:

- **Synopsis:**

The Enterprise Bill received Royal Assent on 4 May 2016 and is now an Act of Parliament.

The Enterprise Act 2016 makes provision relating to the promotion of enterprise and economic growth; provision about Sunday opening hours and Sunday working; and provision restricting exit payments in relation to public sector employment.

The new legislation includes measures to reduce regulation on small businesses in a bid to boost job creation and help for small firms to resolve issues such as late payment. Additional measures under the Enterprise Act will reform the business rates appeals system; enhance shop workers' rights to opt out of working on Sundays; and pave the way for bringing private capital in to the Green Investment Bank.

Sources

Queens Speech

[Queen's Speech 2016: what it means for you, Government website, 18th May 2016](#) – *Outlines the Bills announced in the Queens Speech 2016*

[Queen's Speech: 18th May 2016, LGiU, 18th May 2016](#) – *An explanation of the Bills announced in the Queens Speech 2016*

[Queens Speech 2016: background briefing notes, Government website, 18th May 2016](#) – *More detailed briefing notes on the Bills announced in the Queen's Speech 2016*

Buses Services Bill

[Bus Services Bill to help deliver more regular services for passengers, Government website](#) – *Outlines the benefits of the Bus Services Bill*

Digital Economy Bill

[Government considering plans to make 7 day switching a reality across more markets, Government website, 25th May 2016](#) – *Outlines government plans to make switching providers quicker and easier across a range of sectors.*

High Speed Rail (London-West Midlands) Bill

[Government confirms £80 million for National Colleges to deliver the workforce of tomorrow, Government website, 9th May 2016](#) – *Details funding announced for the National College for High Speed Rail.*

[Major step forward for National College for High Speed Rail as construction starts in Birmingham and Doncaster, Government website, 9th May 2016](#) – *Outlines the start of construction of the National College for High Speed Rail.*

Better Markets Bill

[Better Markets Bill to arm consumers with more power and choice, Government website, 25th May 2016](#) – *Details the launch of a consultation to seek views on proposals to improve Britain's markets*

Enterprise Act 2016

[Enterprise Act 2016, Parliamentary website](#) - *Previous debates on all stages of the Enterprise Act and any latest updates*

[Enterprise Act becomes law, Government website, 4th May 2016](#) – *Outlines the Enterprise Act as it receives Royal Assent*

Policy Developments

[Briefing: Government's spending with SMEs - NAO Report](#)

The National Audit Office (NAO) has published a report, 'Government's spending with small and medium sized enterprises', setting out the progress made by central government in increasing its spending with small and medium-sized enterprises (SMEs).

The Cabinet Office has estimated that 27% of central government's procurement spending (or £12.1 billion of a total of £45 billion per annum) reached SMEs in 2014-15, surpassing the government's target of 25%. The aim is to increase this to 33% by 2020. However, the NAO cannot be certain whether the amount spent with SMEs has indeed increased since 2010 due to a series of changes to how the target is measured.

The NAO concluded that the government will be more successful if it takes a more focused approach by identifying those areas of government spending where SMEs can have the most impact and to use best practice to inform future decisions, as wider trends in government contracting mean that, although SMEs can bid for work, they are often not suitable to deliver it.

Source: [Mark Upton, Briefing: Government's spending with SMEs – NAO Report, LGiU, 18th April 2016](#)

[Briefing: Economic Prosperity Boards](#)

The Legislative Reform, the Combined Authorities and Economic Prosperity Bands and the Cities and Local Government Devolution Act 2016 have revised some of the parameters around Economic Prosperity Bands and Combined Authorities by reducing some of the 'burdens' in their formation and development, and enhancing some aspects of their scope and influence.

A key reason why there has not been a greater take up of EPB model to date is that beyond greater control of EU structural funding no specific power or devolution deals have been offered to encourage their wider adoption. However, when one analyses the economic development and regeneration elements of devolution deals with CA's, there is no legal reason why such deal could not be done with EPB's.

Source: [Mark Barrow, Briefing: Economic Prosperity Bands, LGiU, 21st June 2016](#)

Briefing: Strengthening Local Government Transparency – CLG Consultation

In 2009, the Government issued the first Code of Recommended Practice for Local Authorities on Data Transparency in 2011. On the 12th May 2016, a consultation was launched which explored the next steps to improve town hall transparency and increasing accountability of those entrusted with public resource and assets.

The consultation argues the use of local data should be taken beyond town hall transparency and moving more towards its use for enhanced scrutiny of the use of public assets and resources, including through better comparison of data. The consultation covers the following issues;

- Land
- Procurement
- Contracts
- Parking
- Method of publication

Source: [Stephen Bray, Briefing: Strengthening Local Government Transparency – CLG Consultation, LGiU, 21st June 2016](#)