

UK Political Update: 31 January - 4 February 2011

Week in Review – announcements and consultations

Enhancing consumer protection in the mortgage market

The Financial Secretary to the Treasury, Mark Hoban, announced [a package of measures](#) on 26 January which the government intends will enhance consumer protection in the mortgage market. These measures will:

- transfer the regulation of new and existing second charge residential mortgages from the Office of Fair Trading to the Financial Services Authority, to ensure consistent standards of consumer protection and simplify the regulatory environment for lenders and borrowers;
- ensure consumer protections are maintained when a mortgage book is sold by a mortgage lender to an unregulated firm; and
- extend the current regulation of the sale and rent back market to all providers, to ensure appropriate protection for consumers.

The government has indicated that it expects the FSA to begin working towards implementing these measures immediately, and that the relevant legislation, in the form of statutory instruments, will be published later in 2011.

Independent Commission on Equitable Life Payments' report published

The Independent Commission on Equitable Life Payments, in [a report](#) published by Financial Secretary to the Treasury, Mark Hoban, on 26 January, has made the following recommendations for the allocation of funds (amounting to £775 million) to policyholders:

- A pro rata allocation of the available funds, in proportion to the size of relative losses suffered. This equates to 22.4 per cent of non With Profit Annuity policyholders' relative losses.
- A single policyholder view, wherever practicable, offsetting relative gains against relative losses for those that have more than one policy; and
- A minimum amount, in the region of £10, beneath which payments should not be made. This reflects the Commission's view that administering very small payments below this sum would be disproportionate to the administrative costs of making them while being of negligible significance to recipients. The administrative cost of making a payment to those with individual policies is likely to be approximately £10 and may be higher for other policyholders.

Key Issues

Week in Review – announcements and consultations

People on the Move

This Week in Parliament

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The Commission recommends that, subject to practical constraints which are laid out in its advice, the following groups be prioritised in the order of payment:

- The oldest policyholders, as they are least able to wait for payment and are also least likely to be in a position to mitigate the effects of a delay; and
- The estates of deceased policyholders and, as far as possible, the estates of those who die, before receiving a payment, in the next three years. This prevents delays to beneficiaries receiving payments when they might be at their most vulnerable and reflects the difficulties that could arise from prolonging payments owed to the estates of deceased policyholders.

The government has accepted the Commission's recommendations and has said it will publish a scheme design document setting out the practical implications of the recommendations along with other important issues related to the delivery of the scheme, such as the timetable for making payments, and the complaints and challenges procedure. The scheme design document will be made available for Parliamentary scrutiny in the spring.

If the recommendations are implemented, the government expects that around 945,000 policyholders would receive payments equivalent to 22.4 per cent of their relative losses, and that the remaining 100,000 policyholders with relative losses would receive no payment because their pro rata allocation amounts to less than £10.

Review of counter-terrorism powers and legislation published

The Home Office published [proposals to amend counter-terrorism powers](#) on 26 January, following a comprehensive review of counter-terrorism powers and legislation which sought to assess whether they were necessary, effective and proportionate. In some areas counter-terrorism and security powers were found to be neither proportionate nor necessary and the recommendations are designed to restore British freedoms while enabling the police and security services to continue to protect the public and national security.

Key recommendations include:

- an end to 28 day detention without charge - returning to 14 days as the standard maximum period that a terrorist suspect can be detained before they are charged or released;
- an end to the indiscriminate use of terrorism stop and search powers provided under Section 44 of the Terrorism Act 2000;
- the end to the use of the most intrusive RIPA powers used by local authorities to investigate low level offences and a new requirement that all applications by local authorities to use any RIPA techniques are approved by a magistrate;
- a commitment to rationalise the legal basis by which communications data can be acquired and, as far as possible, to limit that to RIPA;
- a stronger effort to deport foreign nationals involved in terrorist activities in this country, while fully respecting human rights obligations;
- the repeal of control orders and their replacement with a more focused and targeted regime which carries restrictions similar to powers used in the civil justice system; and
- additional resources to the police and security agencies to underpin the effectiveness of the new regime and the government's commitment to prosecuting wherever possible.

The government said it would renew the current regime until the end of the year in order to allow time for the replacement legislation to be introduced (which it will be in the coming weeks), scrutinised by Parliament and brought into effect.

Reserve legislation is also to be published, but not introduced until necessary, allowing more stringent measures including curfews and further restrictions on communications, association and movement. This would require an even higher statutory test for involvement in terrorism related activity to be met – the balance of probabilities – and the legislation would be introduced to Parliament only when necessary to protect the public from a risk of terrorism.

A report by Lord Macdonald of River Glaven - a summary of the consultation responses and an impact assessment document – was published on the same day.

People on the Move

Barnsley Central By-election

The following have been shortlisted as candidates for the Barnsley Central by election:

Linda Burgess; Richard Burgon; Emma Hoddinott; Dan Jarvis

Sinn Fein

Sinn Fein leader **Gerry Adams** formerly resigned his Westminster seat in West Belfast in order to contest the Irish Republic general election

Appointments Commission

Anne Watts Member, Department of Health Equality and Diversity Council was reappointed as Chair of the Appointments Commission for a further year.

Margaret Scott Chair, Drum Housing Association was reappointed as a Non-executive Director and Appointments Commissioner for South Central and South East Coast.

Gareth Hadley Visiting Fellow, Kingston University was reappointed as the Appointments Commissioner for the East of England and East Midlands.

Department of Health

Catherine Bell Non Executive Director of the Civil Aviation Authority; and **Dr David Heymann** Chair of the Health Protection Agency were appointed on 26 January 2011 as Non Executive Board Members of the Department of Health.

Forensic Science Review

Home Office Chief Scientific Adviser **Professor Bernard Silverman** was appointed to lead a review of Research and Development in Forensic Science. The purpose of the review is to consider the current and likely future status of research and development relevant to forensic services for the Criminal Justice System within England and Wales.

Single Source Pricing Regulations

Lord Currie of Marylebone (Cross Bench) was appointed on 26 January 2011 to chair an independent review of the regulations used by the Ministry of Defence when pricing work to be procured under single source conditions without reference to competition. He will present his initial recommendations by July 2011.

Speaker's Committee for the Independent Parliamentary Standards Authority

Dame Janet Gaymer DBE QC; Elizabeth McMeikan; and Sir Anthony Holland were appointed as members of the Speaker's Committee on 26 January 2011.

Special Representative to Gibraltar for Defence

Eleanor Laing (Conservative, Epping Forest) was appointed on 26 January 2011 as Special Representative to Gibraltar for Defence. She will stand down as chair of the All Party Parliamentary Gibraltar Group.

Youth Justice Board

Frances Done CBE was reappointed on 26 January 2011 as the Chair of the Youth Justice Board.

This Week in Parliament

House of Commons – selected forthcoming business

31 January

- Health and Social Care Bill: Second Reading

1 February

- European Union Bill: Committee of Whole House (5th and final day)
- Ten Minute Rule Bill: NHS Acute Medical and Surgical Services (Working Time Directive)
- Debates on: school governance; provision of maternity services; pensioner poverty; proposed reductions in funding of enrichment activities for post-16 students

2 February

- Ten Minute Rule Bill: High Pay Commission
- Motion to approve European Union documents relating to Court of Auditors' 2009 Report
- Debates on: minimum pricing of alcohol; future of children's centres; future of Coastguard Service; Myalgic Encephalomyelitis; performance of Business, Innovation and Skills Department; and NHS funding for hospice care

3 February

- Motion relating to Consumer Credit Regulation and Debt Management
- Debates on: Reform of Legal Aid; STV bid for independent television company status; and Parliamentary Reform

4 February

- Private Members' Bills - Second Readings:
 - Anonymity (Arrested Persons) Bill
 - Freedom of Information (Amendment) Bill
 - Parliamentary Standards (Amendment) Bill
 - Consumer Credit (Regulation and Advice) Bill

House of Lords – selected forthcoming business

31 January

- Budget Responsibility and National Audit Bill (Lords): Report Stage
- Parliamentary Voting System and Constituencies Bill: Committee of Whole House (Day 15)
- Energy Bill (Lords): Committee Stage (Day 5)
- Debates on: economic impact of delays and cancellations at London Heathrow Airport in December 2010; revision of employment law; Monetary Policy Committee missing its monthly inflation target repeatedly over the last ten years; temporary exceptions to the Cluster Munitions (Prohibitions) Act 2009

1 February

- Parliamentary Voting System & Constituencies Bill: Committee of Whole House (Day 16)

- Budget Responsibility and National Audit Bill (Lords): Report Stage
- Debates on: road pricing for lorries in the UK; limiting bonuses to be paid to senior Royal Bank of Scotland staff; and abolition of Human Fertilisation and Embryology Authority and Human Tissue Authority

2 February

- National Insurance Contributions Bill: Second Reading
- Parliamentary Voting System and Constituencies Bill: Committee of Whole House (Day 17)
- Debates on: persuading the government of Japan to modify their opposition to a whaling ban in their territorial waters; and talks with Eurozone representatives to discuss the present state of currency markets

3 February

- Draft Investment Bank Special Administration Regulations 2011 and Draft Investment Bank (Amendment Of Definition) Order 2011: For Approval
- Debates on: recognising Palestine as a sovereign state; interest charged by loan and credit companies; and public funding for the arts

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

1 February

- 4th DLC: Draft Investment Bank Special Administration Regulations 2011 and the Draft Investment Bank (Amendment of Definition) Order 2011
- Localism Bill Committee
- Police Reform and Social Responsibility Bill Committee
- European Committee B: EU documents relating to a Council Regulation establishing a European financial stabilisation mechanism and a draft amending budget No. 7 to the general budget 2010 – statement of expenditure by Section - Section III - Commission

2 February

- European Committee A: EU document relating to Energy 2020: A strategy for competitive, sustainable and secure energy
- 1st DLC: Draft Police and Criminal Evidence Act 1984 (Code of Practice) (Revision of Codes A, B and D) Order 2010

3 February

- 2nd DLC: Draft European Union (Definition of Treaties) (Partnership and Cooperation Agreement) (Republic of Indonesia) Order 2010
- Police Reform and Social Responsibility Bill Committee
- Localism Bill Committee
- Armed Forces Bill Committee

House of Commons – forthcoming Select Committee meetings

31 January

- Justice: Pre-appointment hearing: Chair of the Judicial Appointments Commission

1 February

- Political and Constitutional Reform: Prisoner voting
- Treasury: Competition and choice in the banking sector
- Transport: EU transport policy
- Business, Innovation and Skills: Rebalancing the economy: trade and investment
- Health: Complaints and litigation
- Justice: Access to justice: proposed Legal Aid reforms
- Public Accounts: Department for Work and Pensions: customer error; defence procurement
- Public Administration: Good governance and Civil Service reform
- Environment, Food and Rural Affairs: The impact of Common Agricultural Policy reform on UK agriculture
- Home Affairs: Student visas; government's review of counter-terrorism

2 February

- Work and Pensions: The work programme: providers and contracting arrangements
- Energy and Climate Change: Electricity market reform
- Education: Annual Report of the Chief Schools Adjudicator
- Scottish Affairs: The Scotland Bill
- Environmental Audit: Green Investment Bank
- Public Accounts: HM Treasury asset protection

House of Lords – forthcoming Select Committee meetings

1 February

- HIV and Aids in the UK: HIV and Aids in the UK
- EU Sub-Committee A: Economic and financial affairs and international trade: the EU Financial Framework from 2014
- EU Sub-Committee G: social policies and consumer protection: grassroots sport in the EU
- Science and Technology Sub-Committee I: behaviour change
- EU: The EU Financial Framework from 2014

2 February

- Constitution: Draft Cabinet Manual
- EU Sub-Committee F: Home Affairs: The EU's Internal Security Strategy
- EU Sub-Committee D: Agriculture, Fisheries and Environment: Innovation in EU agriculture

3 February

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

- EU Sub-Committee C: foreign affairs, defence and development policy: UK-French defence

Joint Committees

1 February

- Human Rights Joint Committee: The human rights implication of UK extradition policy

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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