

**Week in Westminster
Parliamentary Business from 21 June 2010**

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Summary

- George Osborne delivered his first Budget statement. The main announcements are below, and more information can be found on our [website](#).
 - From October 2010 support for mortgage interest will be paid at the level of the Bank of England's published average mortgage rate.
 - The government will consult over the summer on the introduction of a bank levy from 1 January 2011.
 - A package of reforms to housing benefit will be introduced from April 2011.
 - Capital gains tax was increase from 18 to 28% for those taxed above the higher rate threshold with immediate effect.
 - More details on the government deregulation proposals, including sunset clauses, will be published in July 2010.
 - The Budget report reiterated the government's plans to review stamp duty relief for first-time buyers taking into account affordability and value for money.
 - The report also confirmed a commitment to the Green Deal for households to help people invest in home energy efficiency improvements, and work on green financial products.
 - The spending review will take place on 20 October 2010.
- Speaking at the Chartered Institute of Housing's annual conference, housing minister Grant Shapps [announced](#) a new review of the role of the Tenants Services Authority and the Homes and Communities Agency (HCA). The HCA should become smaller and more strategic. "It will be an enabling or investment body", the minister said.

Ministerial Statements

22-06-10 – Budget statement

Commons Oral Ministerial statement – Treasury

<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm100622/debtext/100622-0004.htm#10062245000001>

George Osborne cut growth and borrowing forecasts in the coalition government's emergency Budget which also raises VAT to 20 per cent from next year.

Delivering his first Budget speech to the Commons, he announced that the headline rate of VAT will be increased to 20 per cent from January 2011.

Osborne said his Budget would deal decisively with the country's record debt, "it pays for the past and plans for the future".

However, the full details of the chancellor's plans will not be known until the spending review on 20 October 2010, which will set out in detail how government departments will cut their spending. He announced that child benefit will be frozen for the next three years and there are to be cuts to both family tax credits and housing benefits.

And public sector workers face a two-year pay freeze.

However, 1.7 million of those earning less than £21,000 will get a flat pay-rise worth £250 in both years.

Osborne told MPs questions are being asked about the "credibility and liquidity" of the government. He told the chamber: "Early, determined action has earned us credibility in international markets."

"I'm not going to hide hard choices from the British people or bury them in the small print of the Budget document," the chancellor said.

Everyone will be asked to contribute to reducing the deficit and that everyone will "share in the rewards when we succeed", he said.

He told the chamber: "In this Parliament we will ensure that debt is falling as a percentage of GDP by 2015/16."

The chancellor also confirmed that the income tax allowance will be increased by £1,000 and that a new bank levy will be introduced from January 2011 and set out a series of measures to promote enterprise.

"It is simply not possible to deal with a budget deficit of this size without undertaking lasting reform of welfare," Osborne said.

Osborne said everyone would be asked to contribute. "But in return we make this commitment. Everyone will share in the rewards when we succeed," he said

"When we say that we are all in this together, we mean it."

Expenditure on Royal activities through the civil list are to remain static at £7.9m a year, the chancellor added.

Debates

22-06-10 – Budget Resolutions and Economic Situation

<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm100622/debtext/100622-0007.htm#10062245000003>

Immediately following the chancellor's budget statement, MPs began debating the Budget announcements.

23-06-2010 - Budget Resolutions and Economic Situation

Commons Debate Summary - House of Commons

<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm100623/debtext/100623-0004.htm#10062344000002>

Shadow chancellor Alistair Darling began the second day's debate on the Budget resolutions.

24-06-2010 - Budget Resolutions and Economic Situation

Commons Debate Summary - House of Commons

<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm100624/debtext/100624-0006.htm#10062478000001>

The Commons holds its third debate on the Budget.

Written Questions

22-06-2010 - Economy: Stabilisation Lords Written Answers - House of Lords

Lord Myners: To ask Her Majesty's Government what action they have taken and plan to take to promote the development in the United Kingdom of a sustainable market for commercial and residential mortgage securitisation.[HL262] [HL262]

Lord Sassoon: The Treasury, Bank of England and the FSA are in discussion with issuers and investors, to explore ways of encouraging more sustainable, transparent and standardised UK mortgage-backed securities markets.

23-06-2010 - Private Rented Housing Commons Written Answers - Communities and Local Government

Andrew George: To ask the Secretary of State for Communities and Local Government (1) whether he has made an assessment of the merits of each of the recommendations of the Rugg Review of the private rented housing sector; [3291]

(2) what steps he plans to take in response to the recommendations of the Rugg Review of private rented sector housing. [3299]

Andrew Stunell: This Government are committed to ensuring an appropriate balance of rights and responsibilities between landlords and tenants. We have carefully considered the recommendations of the Rugg Review of the private rented sector. But we think that the existing legislative framework for the sector already achieves the right balance. We, therefore, have no plans to introduce further regulation. However, we continue to consider other issues highlighted by the Review, including the potential for greater investment in the private rented sector.

Andrew George: To ask the Secretary of State for Communities and Local Government what plans he has for the future of tenant deposit schemes. [3293]

Grant Shapps: I have no plans to change the requirement for landlords to protect any deposits taken under an Assured Shorthold Tenancy. The three existing schemes operate under contracts which come to an end in April 2012. We will, therefore, take steps to ensure that schemes are in place which enable landlords to meet their obligations beyond April 2012.

Andrew George: To ask the Secretary of State for Communities and Local Government what recent estimate he has made of the adequacy of the regulations in place for residential letting agents. [3297]

Andrew Stunell: Residential letting and managing agents are not currently subject to specific mandatory regulation, although, in common with all commercial organisations, they are bound by overarching fair trading legislation. There are three well established voluntary regulatory schemes which provide effective protection for consumers. I am keen to work with the industry to explore how consumers can be made more aware of the advantages of using an agent who belongs to one of these schemes.

Andrew George: To ask the Secretary of State for Communities and Local Government what recent representations he has received on (a) the Rugg Review of private rented sector housing and (b) the future regulation of the private rented sector. [3298]

Grant Shapps: Since 16 May 2010, my Department has received three representations relating to the Rugg Review of the private rented sector and five concerning future regulation of the sector.

24-06-10 – Support for Mortgage Interest Commons Written Answers – Work and Pensions

Gordon Henderson: To ask the Secretary of State for Work and Pensions if he will assess the merits of bringing into line with the actual mortgage interest rate paid by claimants of benefits under the Support for Mortgage Interest scheme the Standard Interest Rate used to calculate such payments.

Steve Webb: Customer's actual interest rates were used in the past to calculate Support for Mortgage Interest. But that method was abandoned in 1995, in favour of a standard interest rate, which has proved to be far more efficient and straightforward.

The pre-1995 arrangements, where customers' actual rates were used by the Department, were extremely complex to administer, prone to error and added cost. Reverting to that system carries an unacceptably high risk of increased overpayments and inefficiency, is resource intensive, and would not support the Government's aim of simplifying the benefit system.

Gordon Henderson: To ask the Secretary of State for Work and Pensions whether his Department has made an estimate of the (a) number and (b) monetary value of excess payments made under the Support for Mortgage Interest scheme. [3221]

Steve Webb: At the current Standard Interest Rate of 6.08%, the Department for Work and Pensions has estimated from a small sample of data that 92% (207,000) of the 225,000 customers who received Support for Mortgage Interest in November 2009 will receive awards in excess of their eligible mortgage interest outgoings.

The Department's systems do not hold information on the actual rate of interest that Support for Mortgage Interest customers pay, so no estimate of the monetary value of excess payments is available.

24-06-10 - Financial Services: Regulation Commons Written Answers - Treasury

Mr Thomas: To ask the Chancellor of the Exchequer which body will have responsibility for the (a) supervision and (b) regulation of UK financial markets in the period to 2012; and if he will make a statement. [4169]

Mr Hoban: The Financial Services Authority will continue to regulate and supervise financial services and markets until the legislation implementing the Government's proposals for reform has been enacted and commenced.

Mr Thomas: To ask the Chancellor of the Exchequer if he will direct the Banking Commission to consider the future contribution of the financial services industry to increasing the positive effects of economic activity on the natural environment; and if he will make a statement. [4170]

Mr Hoban: The remit of the commission is outlined in the commission's terms of reference, which are a matter of public record and can be found at:

http://www.hm-treasury.gov.uk/d/banking_commission_terms_of_reference.pdf

As an independent commission, it will be at the commissioners' discretion to consider representations or evidence received on any relevant topic.

Mr Thomas: To ask the Chancellor of the Exchequer what mechanism will be used to appoint the members of the Financial Policy Committee of the Bank of England. [4171]

Mr Hoban: The Government will set out more detail on the Financial Policy Committee, including membership and appointments, in a consultation document to be published before the summer recess.

Mr Thomas: To ask the Chancellor of the Exchequer what time period will elapse between meetings of the Financial Policy Committee of the Bank of England and publication of its minutes. [4172]

Mr Hoban: The Government will set out more detail on the Financial Policy Committee, including issues relating to transparency and accountability, in a consultation document to be published before the summer recess.

Forthcoming Business

House of Commons

28 June	Conclusion of the budget debate
29 June	Westminster Hall debate: housing need in London (Jeremy Corbyn)
6 July	Finance Bill – 2 nd reading
30 July – 6 September	Summer recess

House of Lords

8 July	Debate on the level of affordable housing (Baroness Ford)
29 July – October (tbc)	House of Lords summer recess

Other dates

18-22 September	Liberal Democrat party conference (Liverpool)
26-30 September	Labour party conference (Manchester)
3-6 October	Conservative party conference (Birmingham)