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This political digest covers parliamentary issues relevant to the building society sector.

Your feedback on this edition is most welcome. Please email Rachel Le Brocq with your comments at rachel.lebrocq@bsa.org.uk . Also email Rachel with any issues you have a particular interest in, and would like her to track.

The next edition of PA Update will be published at the end of October as Parliament is now in recess for the summer.

Update includes:

- Draft legislative timetable announced
- Green Paper on housing
- HIPs defeated in Lords
- Financial capability on the school curriculum
- Building Societies (Funding) and Mutual Societies (Transfers) Bill
- Treasury Select Committee to publish unclaimed assets report
- ISA regulations laid
- Changes to Treasury Select Committee membership
- Parliamentary Questions
- Early Day Motions – Various
- Legislative Update
- Key Dates & Future Business

Draft legislative timetable announced

On 11 July, the Prime Minister Gordon Brown MP (*Lab, Kirkcaldy and Cowdenbeath*) set out his draft legislative proposals ahead of the Queen's Speech (6 November). Housing took centre stage with an announcement of a consultation on creating a new regime for covered bonds which will help mortgage lenders finance more affordable 20 to 25 year fixed-rate mortgages. This consultation can be viewed here http://www.hm-treasury.gov.uk/consultations_and_legislation/ukrec_covbonds/consult_ukrec_covbonds.cfm

A Treasury press release, issued on the same day, also mentioned Government backing the Building Societies (Funding) and Mutual Societies (Transfers) Bill "*which will increase the proportion of funds which may be raised in wholesale markets, giving building societies more flexibility in financing their mortgages.*" This can be viewed here http://www.hm-treasury.gov.uk/newsroom_and_speeches/press/2007/press_76_07.cfm

The Prime Minister also confirmed the Unclaimed Assets Bill would be brought before Parliament in the next session.

Details of the draft legislative timetable can be viewed here <http://www.publications.parliament.uk/pa/cm200607/cmhansrd/cm070711/debtext/70711-0004.htm#07071161000003>

Green Paper on housing

The DCLG published a green paper on 23 July setting out its plans for new housing. By 2016 it expects 2 million more homes to have been built, and by 2020 it expects that number to have reached 3 million. It expects annual house building levels to have reached 240,000 a year to allow this to take place.

A key objective of the Government is to make housing more affordable. As such, the budget for affordable housing is increasing by £3 billion a year to £8 billion. At least 180,000 affordable homes will be delivered over the next three years, with 70,000 a year being built by 2011. At least 45,000 new social homes will be being built each year by 2011 and over 25,000 shared ownership and shared equity homes will also be built each year.

Included in these figures are 100,000 extra homes in 45 towns and cities that make up 29 new growth points, which will receive additional funding. A further round of new growth points will provide a further 50,000 homes. The Government is also proposing 5 new eco-towns, that will provide between 5-20,000 new homes each.

The consultation can be viewed on the DCLG website here
<http://www.communities.gov.uk/index.asp?id=1511890>

An article on the Green Paper was in the July edition of *Newsbite*. This can be viewed on the BSA website here
http://www.bsa.org.uk/feature/brown_housing.htm

HIPs defeated in Lords

On 18 July, Peers voted in favour of the following Conservative motion: *This House calls on Her Majesty's Government to revoke the Home Information Pack (No. 2) Regulations 2007 (SI 2007/1667) and the Housing Act 2004 (Commencement No. 8) (England and Wales) Order 2007 (SI 2007/1668).*

The Conservative motion, urging the Government to revoke the regulations, was passed by 180 votes to 160. The Government has however chosen to continue with its implementation of HIPs on 1 August.

The full debate can be viewed here
<http://www.publications.parliament.uk/pa/ld200607/ldhansrd/text/70718-0003.htm#07071866000009>

Financial capability on the school curriculum

On 12 July, Ed Balls MP (*Lab/Co-op, Normanton*) announced changes to the secondary school curriculum. The curriculum will become more flexible to give children “*skills to help them excel in a fast-changing world... pupils will be taught essential financial life skills through functional maths and in Personal Social Health and Economic Education (PSHE). These will include: personal finance, enterprise and financial capability; learning about risk and reward; investment and trade; personal budgeting; mortgages; interest rates; and balancing credit cards.*” The full press release can be viewed here

http://www.dcsf.gov.uk/pns/DisplayPN.cgi?pn_id=2007_0127

Building Societies (Funding) and Mutual Societies (Transfers) Bill

Sir John Butterfill's Private Member's Bill, *Building Societies (Funding) and Mutual Societies (Transfers) Bill* passed its Report Stage in the House of Lords on 24 July 2007. It is anticipated that the Bill will receive its third reading in the Lord in October when the House returns from recess.

The Bill can be viewed here
http://www.publications.parliament.uk/pa/pabills/200607/building_societies_funding.htm

Treasury Select Committee to publish unclaimed assets report

The Treasury Committee has announced it will publish its Eleventh Report of Session 2006–07, *Unclaimed assets within the financial system* on Monday 6 August. Embargoed copies of the Report will be available to witnesses, government departments and accredited members of the press from 11.00am on Friday 3 August.

ISA regulations laid

On 25 July, the Economic Secretary to the Treasury, Kitty Ussher MP (*Lab, Burnley*) laid regulations before Parliament that will reform Individual Savings Accounts (ISAs).

Key elements of the reform package, which comes into effect from 6 April 2008, are:

- ISAs are available indefinitely;
- All Personal Equity Plans (PEPs) will automatically become stocks and shares ISAs;
- Savers can transfer money saved in cash ISAs into stocks and shares ISAs;
- A new structure and limits, removing the Mini/Maxi distinction.

The full Treasury press release can be viewed here http://www.hm-treasury.gov.uk/newsroom_and_speeches/press/2007/press_86_07.cfm

Changes to Treasury Select Committee membership

Brooks Newmark MP (*Con, Braintree*) and David Gauke MP (*Con, South West Hertfordshire*) have been discharged from the Treasury Select Committee and Graham Brady MP (*Con, Altrincham and Sale West*) and Philip Dunne MP (*Con, Ludlow*) replace them. The full Committee membership can be viewed here http://www.parliament.uk/parliamentary_committees/treasury_committee/treasury_committee_members.cfm



PARLIAMENTARY QUESTIONS - VARIOUS

On 23 July, Lord Dykes asked Her Majesty's Government: Whether they have proposals to launch an official campaign to increase the United Kingdom savings ratio.

Lord Davies of Oldham: There are no proposals for a specific campaign to increase the savings ratio. The Government already seek to support saving and asset ownership for all across the lifecycle from childhood, through working life and into retirement. Since 1997 the Government have introduced the individual saving account (ISA) so that everyone has access to a tax-advantaged savings scheme and introduced the child trust fund (CTF) so that in the future all children will enter adulthood with a financial asset regardless of family background and piloted the saving gateway to explore ways in which matched funding can promote saving in lower income households. The Government have also introduced stakeholder pensions to offer simple, low cost pensions to those without access to an employer pension and radically simplified the pensions tax regime to offer greater individual choice and flexibility in when and how people save for their retirement.

EARLY DAY MOTIONS – VARIOUS

(Early Day Motion (EDM) = A motion which is laid to bring attention to an issue, but not debated)

New EDMS

EDM 1887 - *Dormant Bank Accounts* is sponsored by Chris McCafferty MP (Lab, Calder Valley).

“That this House notes that recent estimates suggest UK bank and building society customers have thousands of pounds of unclaimed assets in dormant bank and savings accounts; further notes the Government's plans to introduce a scheme to distribute accounts left dormant for over 15 years to charitable causes; believes that first and foremost this money belongs to individuals and that every effort should first be made to reunite them with their funds; congratulates Halifax Bank of Scotland for launching a major campaign to reunite customers with their lost balances; recognises that this is the first such initiative to be launched by a bank; and calls on other banks and building societies to follow suit.”

The EDM, laid on 10 July, has 63 signatures to date and can be viewed here <http://edmi.parliament.uk/EDMi/EDMDetails.aspx?EDMID=33738&SESSION=885>

EDM 1920 - *Reform And Expansion of Co-operatives and Credit Unions* is sponsored by Andrew Love MP (*Lab, Edmunton*)

“That this House welcomes the recent announcement of a review of the UK’s Industrial and Provident Society and Credit Union Legislation by HM Treasury; notes the positive impact that co-operative and credit union legislation has had on the British economy since its inception in 1852; recognises the need for reform in this area; further notes that credit unions provide valuable services to communities, including safe and easy savings schemes, affordable loans and financial education; calls upon the Government to note that the capacity of credit unions to expand their provision of inclusive financial services is seriously impaired by existing barriers; and looks forward to constructive proposals for a new legal framework which will allow credit unions and co-operatives to compete and expand whilst recognising the need for modernisation to enable the co-operative sector to continue to lead the way in community regeneration, engagement and participation.”

The EDM, laid on 16 July, has 79 signatures to date and can be viewed here <http://edmi.parliament.uk/EDMi/EDMDetails.aspx?EDMID=33778&SESSION=885>

Existing EDMs

EDM Title	EDM Number	Date Laid	Primary Sponsor	No. of MPs who have signed EDM
Bank Charges	105	15/11/06	Mike Hancock MP	39
Campaign to Protect Rural England against Land Banking	494	13/12/06	Greg Mulholland MP	56
Bank Charges No.2	500	13/12/06	Jim Sheridan MP	92
Green Mortgages	556	8/1/07	Colin Challen MP	69
New Business for Post Offices	660	17/1/07	Albert Owen MP	91
Bank Profits and Charges	909	20/2/07	Mike Weir MP	44
Mortgage Arrangement Fees	915	20/2/07	Steve Webb MP	54
Excessive Bank Profits	940	21/2/07	John McDonnell MP	32
Bank Accounts	956	22/2/07	Colin Breed MP	54
First Direct Bank Charges	960	22/2/07	Alan Meale MP	48
Barclaycard Job Losses in Manchester	1063	07/03/07	John Leech MP	5
Barclaycard Job Losses in Manchester No 2	1071	07/03/07	Tony Lloyd MP	26
Windfall Tax on High Bank Profits	1116	13/03/07	Hywel Williams	27



			MP	
Shared Equity Mortgages	1163	19/03/07	Alan Meale MP	33
Building and Buildings (S.I., 2007, No. 991)	1264	16/04/07	David Cameron MP	14
Housing (S.I., 2007, No. 992) (No. 2)	1322	23/03/07	Frank Field MP	2
Financial Services and Charges	1363	26/04/07	Diane Abbott MP	46

All EDMs can be viewed here <http://edmi.parliament.uk>

LEGISLATIVE UPDATE

Government Bills	
Consumers, Estate Agents and Redress Act	Royal Assent - 19 July 2007
Fraud (Trials without jury) Bill	Introduced to the Commons - 16 November Second Reading - 29 November Public Bill Committee - 12 December Report and Third Reading - 25 January Introduced to the Lords - 26 January Second Reading - 20 March
Legal Services Bill	Introduced to the Lords - 23 November Second Reading - 6 December Committee of the Whole House - 9, 22, 23 January 6, 21 February, 6 March Report Stage - 16, 18 April, 8 May Third Reading - 15 May Introduced to the Commons - 16 May Second Reading - 4 June Public Bill Committee - 12, 14, 19, 21, 26 June
Mental Health Act	Royal Assent - 19 July 2007
Pensions Act	Royal Assent - 26 July 2007
Serious Crime Bill	Introduced to the Lords - 16 January Second Reading - 7 February Committee Stage - 7, 14, 21, 26, 27 March Report stage - 25 April, 30 April Third Reading - 9 May 2007 Introduced to the Commons on 10 May Second Reading - 12 June Public Bill Committee - 26, 28 June, 3, 5, 10 July

Private Members' Bills	
<u>Building Societies (Funding) and Mutual Societies (Transfers) Bill</u>	<p>Introduced to the Commons - 13 December Second Reading - 23 March Committee Stage - 25 April Report Stage - 27 April Introduced to the Lords - 30 April Second Reading - 14 June Committee of the Whole House - 10 July Report Stage - 24 July</p>
<u>Pensions (Unclaimed Assets)</u>	<p>Introduced to the Commons - 7 March Second Reading - 19 October</p>

Key Dates & Future Business

Houses of Parliament Recess Dates

Summer - 26 July - 8 October

Party Conferences

Liberal Democrat Party Conference, 15 - 20 Sept - Brighton

Labour Party Conference, 23 - 27 Sept - Bournemouth

Conservative Party Conference, 30 Sept - 3 Oct - Blackpool

Queen's Speech - 6 November