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Written Statements

Wednesday 12 March 2014

BUSINESS, INNOVATION AND SKILLS

Export Guarantee Advisory Council
The Minister of State, Department for Business, Innovation and Skills (Michael Fallon): My noble Friend the Minister for Trade and Investment, Lord Livingston, has today made the following statement:

A triennial review of the Export Guarantees Advisory Council (EGAC), a statutory non-departmental public body of the Export Credits Guarantee Department (ECGD, operating as UK Export Finance), was announced on 9 October 2013, Official Report, column WS31. The review has now been completed and accepted by the Government.

EGAC is a statutory body which provides independent and expert advice to Ministers, principally on the application of UK Export Finance’s ethical policies. The review concluded that the functions performed by EGAC are still required and that it should be retained as an advisory non-departmental public body (NDPB). The review also considered the EGAC’s governance arrangements in line with Cabinet Office guidance on good corporate governance and made recommendations in this respect.

Copies of the report of the review will be placed in the Libraries of both Houses and published on the UK Export Finance website.

National Minimum Wage

The Secretary of State for Business, Innovation and Skills (Vince Cable): The Low Pay Commission’s 2014 report and recommendations to the Government are being published in full today, alongside the Government’s response.

The Low Pay Commission’s 2014 report

The main recommendations put forward by the Low Pay Commission concern the rates of the national minimum wage.

The commission has recommended that the adult hourly rate of the national minimum wage should increase from £6.31 to £6.50. The commission has recommended increasing the development rate, which covers workers aged 18 to 20-years-old, from £5.03 to £5.13 and increasing the rate for 16 to 17-year-olds from £3.72 to £3.79. It recommends that the apprentice rate should increase from £2.68 to £2.73. It is recommended that these changes take place in October 2014.

The commission has also recommended that the accommodation offset increases from the current £4.91 to £5.08 in October 2014.

The Government accept all of the rate recommendations.

Government’s response to individual recommendations in the Low Pay Commission’s 2014 report

National Minimum Wage Rate Recommendations

We recommend that the adult rate of the national minimum wage be increased by 3%, or 19p, to £6.50 an hour, from 1 October 2014.

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We recommend an increase of 2% in the youth development rate to £5.13 an hour, in the 16 to 17-year-old rate to £3.79 an hour and in the apprenticeship rate to £2.73 from 1 October 2014.

Government Response

The Government accept the national minimum wage rate recommendations.

Accommodation Offset

We recommend that the accommodation offset be increased by 3.5%, to £5.08 a day, from 1 October 2014.
Government Response

The Government accept the accommodation offset recommendation.

Other Recommendations

Migrant Domestic Workers

We recommend that the Government should review the law, and take the next available opportunity to legislate and clarify the entitlement of migrant domestic workers to the national minimum wage.

Government Response

The Government fully agree that non-compliance in this area needs to be reduced. As suggested by the Low Pay Commission, the Government will look at this area of national minimum wage legislation and consider the full range of options to reduce non-compliance.

The Low Pay Commission’s report has been presented to Parliament today (Command Paper Number 8816). Copies will be available in the Vote Office and Printed Paper Office. In addition, copies of the Government response have been placed in the Libraries of both Houses.

CABINET OFFICE

Ministerial Pensions

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): In the spending review 2010, the Government announced their intention to increase employee contributions in public service pension schemes. This followed on from Lord Hutton’s interim report on public service pensions which concluded that there was a clear rationale for public servants to make a greater contribution if their pensions were to remain fair to taxpayers and employees and affordable for the country.

The ministerial pension scheme was not covered by Lord Hutton’s recommendations, but I consider it appropriate that its members face similar changes.

In 2012-13 pension contributions were increased in a similar way as applied to other public service pension schemes, and increases for 2013-14 were also applied from 1 April 2013. Further increases from 1 April 2014 will mean that:

- Secretaries of State, the Leader of the Opposition in the Commons and Speaker in the House of Lords will pay an additional 1.2 percentage points of pay, and a total of 6.0 percentage points higher than 2011-12;
- Ministers of State, the Government Chief Whip, the Leader of the Opposition in the Lords, the Chairman of Committees of the House of Lords and the Deputy Chairman of Committees of the House of Lords will pay an additional 0.8 percentage points of pay and a total of 4.0 percentage points higher than 2011-12;
- Parliamentary Under-Secretaries, the Government Whips and Opposition Whips will pay an additional 0.5 percentage points of pay and a total of 2.5 percentage points higher than 2011-12;

Ministers in the House of Commons make separate contributions towards their pensions as Members of Parliament. Responsibility for the setting of pension provision for MPs is the responsibility of the Independent Parliamentary Standards Authority.

The amendment scheme will also make provision that members who are part of a same sex marriage will be treated in the same way as members who are part of civil partnerships, in line with the Marriage (Same Sex Couples) Act.
2013 and the arrangements for same sex marriage recognition in other public service pension schemes.

The amendments do not make any provision in relation to an accrued right which puts (or might put) a person in a worse position than the person would have been in apart from the provision.

The details of the new scheme have been laid in the Libraries of both Houses, along with a copy of the response to the consultation from the Chairman of the Parliamentary Contributory Pension Fund Trustees.

COMMUNITIES AND LOCAL GOVERNMENT

Parish Council Payments

The Parliamentary Under-Secretary of State for Communities and Local Government (Brandon Lewis):

Yesterday, I made the Legislative Reform (Payments by Parish Councils, Community Councils and Charter Trustees) Order 2014. In accordance with article 1 of the order it comes into force today. This follows findings in favour of the order by the relevant parliamentary committees and agreement to its making by the National Assembly for Wales.

The order removes the rule that cheques and other orders for the payment of money by a parish council must be signed by two members of the council. It makes the same change for community councils in Wales and for charter trustees in England. This rule has put a significant barrier in the way of these bodies adopting modern electronic methods of payment. Its removal will allow them to make payments more quickly and efficiently, with benefits and savings both to them and to the local businesses and other organisations with which they have dealings.

The Government place the highest importance on the maintenance of effective financial controls in these bodies. We therefore welcome, as an essential part of the reform, the publication of new guidance on payments by the local council sector. This guidance takes a more comprehensive approach to payment control than the concentration on the single point of cheque signature implicit in the two-signature rule. Compliance with the guidance will be an item covered in the annual audit returns required from the councils.

I am arranging for a copy of the guidance to be placed in the Library of the House.

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CABINET OFFICE

City Deal

The Minister of State, Cabinet Office (Greg Clark):

Following the successful completion of the first wave of city deals in July 2012 with the “core cities”, the Government committed to work with a further 20 cities and their wider areas to negotiate a second wave of city deals in October 2012.

I can today inform the House that the Government and business and civic leaders in the area covered by Brighton and Hove city council, Lewes district council, Adur district council, Worthing district council and Mid Sussex district council have reached agreement on a Greater Brighton city deal.

The Greater Brighton city deal will accelerate the growth of Brighton’s tech cluster, by expanding its base at New England House into a major centre for creative and digital businesses. This investment will provide space for many of Brighton’s 1,500 tech companies to grow, will help to nurture new businesses and ideas, and will provide access to faster broadband for local tech companies.

The deal will also provide greater certainty over future flood defence funding at Shoreham and Newhaven, helping to protect homes and enable vital employment land to be developed at key points across the area.

Greater Brighton and Coast to Capital local enterprise partnership will also launch a business support and innovation programme, providing small firms with better access to support and advice, and helping them work better with local universities and business organisations.
Business and civic leaders in Greater Brighton have estimated that the deal will deliver 8,500 new jobs and enable over £170 million of investment over the next decade.

FOREIGN AND COMMONWEALTH OFFICE

Government Diamond Office

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mark Simmonds): I wish to inform the House that the Government Diamond Office is shortly to launch a public consultation on a review of its charging structure, with a view to bringing it more into line with the UK Government’s best practice on fee charging.

The Government believe that a review is timely in order to continue to maintain an effective service for the rest of the UK rough diamond industry following the transfer of De Beers London-based rough diamond sales to Botswana.

We are therefore launching a consultation looking at charging principles which will begin on 13 March and will last for two weeks.

We will be seeking views from stakeholders who have an interest in the way fees are set, and in how the Government and UK industry meet their commitments under the Kimberley process certification scheme.

A copy of the terms of reference of the consultation will be placed in the Library of the House and on the gov.uk website.

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JUSTICE

G4S and Serco (Contracts Update)

The Lord Chancellor and Secretary of State for Justice (Chris Grayling): Further to my previous statements to Parliament on contracts my Department holds with G4S and Serco, I want to provide the House with an update on the situation concerning G4S’s repayment of money owed to the Government.

On 19 December 2013, Official Report, column 128WS, I announced that Serco had agreed to repay £70.5 million plus VAT to reimburse the Government for money owed on the electronic monitoring and prisoner escort contracts, and for other costs incurred.

Discussions with G4S on repayment have continued and I am now in a position to inform the House of the financial settlement we have reached. G4S has agreed to

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repay £108.9 million plus VAT to reimburse the Government for overpayments made by my Department under the electronic monitoring contract and to cover direct costs to Government arising from these issues. This sum also includes £4.5 million to cover the cost of overpayments made on two contracts held by G4S for facilities management in the courts, both of which were referred to the Serious Fraud Office in December.

I am satisfied on the basis of PwC’s forensic audit, and having taken appropriate advice, that this represents a good deal for the taxpayer. In the event of criminal charges being brought we would consider whether further sums are due from G4S.

This is a welcome step, which recovers in full the money owed to the taxpayer. Discussions between the Cabinet Office and G4S on corporate renewal continue. This process is not complete and the Minister for the Cabinet Office will make a further statement on corporate renewal in due course.