



Welcome to the April edition of the Thames Valley MPs Briefing Notes.

We lead this edition with news of the FSB's budget submission which puts forward our solutions to the banking and unemployment problems.

If you would like to get a copy of our full budget submission please go to [www.fsb.org.uk](http://www.fsb.org.uk) and click on the budget link.

We hope that you continue to find the articles a useful guide to our latest national and regional lobbying activity.

Should you require any further information on any of the issues covered please contact Karen Durcan, Thames Valley Regional Organiser.

Regards,

*Robin Lawrence*

Thames Valley Regional Chairman

### Chancellor's Budget must solve key problems

**Federation of Small Businesses (FSB) launches** its Budget submission – with tangible solutions to tackling recession

Forcing banks to behave and solving the problem of rising unemployment should be at the top of the Government's to-do list in the most crucial budget in decades, said the FSB.

Proposing a series of practical solutions to tackling the recession, the FSB is calling for automatic rate relief for small firms, an increase in the thresholds before Income Tax and National Insurance contributions are payable and an independent Corporate

Mediator to work with banks and their business customers to be put in place in Chancellor Alistair Darling's Budget on April 22.

In a recent survey of FSB members, a third of small firms said their bank was less helpful now than before the credit crunch began – precisely at a time when help is most needed. The FSB sees resolving the stand-off between banks and their business customers through this mediator as a clear priority.

In calling for the Government to prioritise better support for businesses in accessing finance and regulating their cash flow as a matter of urgency, the FSB proposes:



- A solution to the banking crisis: the Corporate Mediator would act as an autonomous intermediary between the banks and business customers, negotiating resolution where disputes arise; solving financial problems for business owners and ensuring

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### New Coalition launches campaign for 'Post Bank'

A comprehensive proposal for a new 'Post Bank' to run as part of the Post Office Network was launched on the 17 March by a new coalition of trade unions, a business organisation, pensioner and pressure groups and charities.

The proposal for the Post Bank was formally launched

at a Parliamentary reception hosted by Jon Cruddas MP, with cross-party speakers including Pat McFadden, Minister for Employment and Post Offices, Vince Cable, Deputy Leader of the Liberal Democrats, and Phillip Blond, Director of the Progressive Conservatism project at Demos.

The model for a Post Bank proposed by the coalition would:

- provide more financial services to people and businesses currently not served by high street lenders,



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## Chancellor's Budget must solve key problems

clear communication of support packages on offer to the business community. The FSB has also proposed the introduction of a Post Bank set up in the Post Office network as an alternative to regular banks.

- Building confidence: a healthy rise in Income Tax and National Insurance thresholds to £10,000 in 2009 would put money back into the pocket of the employee and cut the cost of employing staff for business. This would lift those on the lowest incomes out of paying tax entirely, including many self employed small businesses owners, and reduce the number of people claiming tax credits.
- Lowering small business overheads: business rates are the third highest expenditure for small firms after rent and wages, yet every year more than £400million goes unclaimed by businesses eligible for up to £1,200 off their rates bills. The Government must make this rate relief automatic – following the lead of Wales and Northern Ireland – providing valuable extra finance at no extra cost to the Government or tax payer.



**John Wright,  
FSB  
National  
Chairman,  
said:**

*“The Chancellor is about to announce possibly the most crucial budget in decades and he has got to get it right. The Government must take decisive action to inject life into the economy and resolve the big problems faced by small businesses: the double whammy of irregular cash flow and a lack of finance from the banks.*

*“The FSB has come up with strategic solutions to these problems in calling for the Chancellor's next Budget to include a Corporate Mediator to rebuild the relationship between banks and business; alternative banking solutions such as the Post Bank; and making rate relief automatic – at no extra cost to the Treasury at all.*

*“Tackling rising unemployment is also going to be vital. Wage subsidies for employers and employees moving towards short-time working, coupled with raising personal tax thresholds to £10,000, will put money back into the pockets of staff and the businesses that hire them.”*

## New Coalition launches campaign for ‘Post Bank’

- strengthen the role of post offices and the Post Office Network – making it more viable, creating new job opportunities, and securing its role for the future,
- ensure a stable source of finance in the heart of communities, particularly for the three million people still not using banks and the many small businesses looking for alternative sources of finance,
- link the productive economy with finance through a return to the form of ‘relationship banking’ abandoned by our biggest banks.
- The dynamic small businesses that pound for pound create more jobs than big business, are experiencing an increase in the cost of new credit through the high street banks and many are looking for alternative sources of finance to help them through the recession,
- Two out of five small firms think that a Post Bank built on the Post Office Network is a good idea and would consider banking with it.

The Post Bank – which would be established with government funding, supported for example, by the issue of local bonds, would offer a variety of finance services through post office branches and online – would address these key concerns. Instead of using government money to service existing bad debt, the Post Bank would provide stable finance where it is needed most, in the heart of our local economies.

The government must now seize this opportunity and build on the foundations of the post office network to create a Post Bank that works for the people and businesses of the UK.

The Post Bank coalition believes there is a unique opportunity to answer both concerns around secure and equitable finance and the future of the post office network by setting up a Post Bank.

Evidence from the coalition members demonstrates the clear need for a local banking infrastructure through a Post Bank:

- Around three million people are still denied access to basic finance in the UK, including the most disadvantaged, pensioners and those in very remote rural areas,



## Accord rolls out across England

As many small businesses know to their cost, working with local government can be a challenging experience, complicated by unnecessary and unfair hurdles. Whether it's the complex procurement and tendering process, parking restrictions on the high street or a frustratingly short-sighted consultation with the local business community, small businesses are frequently left high and dry by local authorities.

The FSB wants to change that, and as the latest part of its Keep Trade Local manifesto, the organisation is launching the Small Business Engagement Accord for local authorities in England.

The Accord, created by the South East Policy Unit, aims to encourage local authorities to make engagement with, and support for small businesses a central priority rather than just an optional extra.



The first council to sign-up to the Accord was Canterbury City Council on the 12th March (pictured left: John Walker, FSB Policy Chairman and John Gilbey, Leader of Canterbury City Council signing the Accord).

Following the signing of the first Accord the campaign officially launches across England with FSB branches being encouraged to lobby their local authority to support the Accord.



## Highlighting the cost of fraud

Small businesses lose up to £800 a year to fraud and online crime, according to a survey by the FSB, which is calling for more action to tackle online crime.

More than half (54 per cent) of businesses reported being a victim of crime in the last twelve months – 37 per cent having problems with phishing emails, 15 per cent falling victim to card not present fraud and another 15 per cent falling foul of IT problems caused by viruses and hackers.

Most fraud, where it has a financial impact, costs small businesses between £500 and £5,000, while the average cost across the sector is £768 a year.

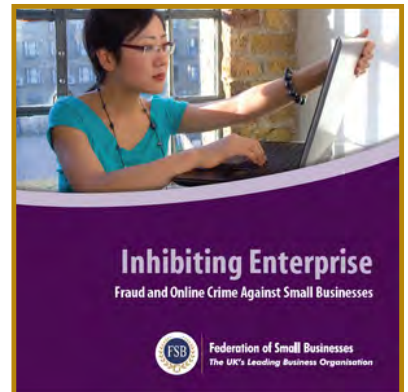
The FSB's report, "Inhibiting Enterprise: Fraud and online crime against small businesses", found that one third of small firms do not report fraud or online crime to the police or their banks because of a lack of faith in the system.

More than 50 per cent (53 per cent) indicated they needed clearer information about how and where to report this type of crime, while 44 per cent wanted a named contact in their local police force specifically focused on fraud and online crime.

An 85 per cent majority of businesses in Scotland and England said they would report fraud if a designated reporting centre were set up to gather data and use it to fight the crime and follow through with prosecutions – following in the footsteps of Wales, which already has a reporting centre.

The FSB is calling for:

- A central, well advertised and accessible method of reporting fraud and e-crime, which they can trust to understand the issue and to take proper follow up action;
- The Police Central E Crime Unit and the National Fraud Strategic Authority, which aim to launch the National Fraud Reporting Centre later this year, to work together closely to ensure that the centre is established soon and fulfils these criteria;
- A local police contact to specialise on fraud and e-crime with small businesses; and
- Banks to take responsibility for informing businesses up front about the risks of card not present fraud.





# focus on Thames Valley

## Keep Trade Local goes to Buckingham

**Local businesses in Buckingham** joined many thousands across the country supporting the FSB's Keep Trade Local Campaign.

The campaign, which recently celebrated its first birthday aims to raise awareness of the importance of keeping trade local, which seeks to stem the tide of business closures.



Local business owners were welcomed by Mayor and FSB member, Howard Mordue and John Bercow MP (pictured above) who gave his wholehearted support to the campaign.

The campaign was officially introduced and explained by FSB member Ann Taylor, who gave a brief overview of the aims of Keep Trade Local, emphasising the key points; Planning, Parking, Crime Prevention, Procurement, Post Office Closures and Business Rate Relief. She explained that the campaign is also keen to encourage local government to consider the needs of small businesses in all its decision making.

## Awarding MPs who Champion Small Businesses

**All five Branches of the Thames Valley** have been actively working with their MPs in an effort to ensure that the needs and concerns of small businesses in the area are properly understood and voiced in Westminster.

Over the year 2007 to 2008, the Thames Valley Region of the FSB has logged the activities of the local MPs to assess how much support has been given to small businesses in debates in the House of Commons by each of the members.

Of the 21 MPs in the Thames Valley, nine stand out as having made speeches supporting small businesses in one way or another. These nine MPs have been recognised by the Thames Valley FSB for their work as champions of the Small Business Community and are being presented with awards.

At the top of the "League Table" was Tony Baldry MP (***pictured top right receiving his award from Robin Lawrence***) who made interventions on behalf of small businesses in almost twice as many debates as other Thames Valley MP's

Since the economic downturn many MP's are now raising the issues facing small firms but our reward is to those MPs who were standing up for small firms before the spotlight was focusing on the economic climate.

The other eight MPs to receive an award are:



- Richard Benyon
- Andrew Smith
- Cheryl Gillan
- David Cameron,
- Andrew Mackay
- John Bercow
- John Redwood
- Phyllis Starkey

It should be noted that, in addition to this list, many of the other MPs have intervened directly with ministries on behalf of their local businesses or the FSB.

### Robin Lawrence, Thames Valley Regional Chair said

*"We are fortunate in the Thames Valley to have so many MPs who are prepared to fight the case of their local businesses. They recognise that the recovery from our present financial situation will, to a large extent, be thanks to the hard work and perseverance of the small business sector. The banks got us into this mess but only businesses will get us out."*

*"I would like to thank the MP's above for their contribution in the house but also those MP's who have been working hard in their constituency, meeting with FSB representatives and business owners and taking forward issues that affect local businesses."*

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