



ROSE BRIEFING 50 15 May 2022

New Government legislation: Queen's Speech May 2022

The speech covered legislation for the coming parliamentary session that included Bills on Levelling Up and Regeneration; Energy Security; UK Infrastructure Bank Bill; Transport Bill; Brexit Freedom Bill, Procurement Bill; Financial Services and Markets Bill – as well as a significant number of other Bills including those increasing government powers over protest, the treatment of immigrants and, particularly concerning, a 'Bill of Rights' replacing the EU-linked Human Rights Act.

This summary covers those aspects most relevant to the concerns of ROSE – that is protecting and enhancing democratic controls over economic and social development on behalf of working people and particularly as they concern Scotland and apply and redefine legislation previously framed within EU treaty law.

The most central of these are the Levelling Up Bill, the Brexit Freedom Bill, the Procurement Bill and the Financial Services and Markets Bill.

Levelling Up and Regeneration Bill

This covers those aspects of the Levelling Up White Paper, published in February 2022, concerning local government in England.

Those aspects of the February 2022 Levelling UP White Paper concerning its broader objectives and particularly those aspects that involve Scotland and Wales do not appear to be covered by this Bill – particularly the operation of the British Business Bank, the Innovation Accelerators (one for the Glasgow City Region), the operation of specific 'Missions' and how the operation of these policies 'while being respectful of the devolution settlements will require close and collaborative work with the devolved administrations' including in 'unleashing the power of the private sector'.

The Bill's recasting of local government in England appears to give very strong central powers to the Secretary of State and mandates the creation across England of Combined County Authorities under elected Mayors who preside over cabinets composed of appointees from existing local authorities and others representing relevant interests. These will operate within the guidelines established by ministerial Levelling Up Missions for periods not shorter than five years (p. 1). They should cover existing county areas or unitary authorities. Costs of the new Authorities will be met by the constituting local authorities. The Secretary of State has discretion to allocate powers currently held for Integrated Transport Areas and for Police, Crime and Fire. The Secretary of State under Section 43 has powers to make decisions on proposals from the new Combined Authorities for economic, social and environmental well-being.

The Procurement Bill

The bill applies to England, Wales and Northern Ireland but not Scotland and 'seeks to ensure that the public procurement budget of £300B a year drives social, environmental and economic benefits

across every part of the UK'. The Bill provides (clause 8) for a range of 'light touch contracts' and (clause 9) 'special regional contracts' with criteria for delivering value for money and maximising public benefit. It allows (clause 12) minister of the crown to publish specific procurement policies subsequent to parliamentary notification. Clause 18 specifies conditions within which public sector contractors may disregard non-UK tenders apart from those from 'treaty state suppliers' (currently only Australia and NZ). P. 23 proposes a category of 'dynamic markets' where competition criteria can be relaxed – it seems for regional/industrial growth priorities.

The Scottish government has decreed that procurement policies for those areas of contracting within its jurisdiction should remain as previous – effectively the EU provisions. The Welsh Government issued the following statement: 'The Welsh Government has always been clear - decisions on the policy outcomes we want from procurement should only be made here in Wales. We have very different views to the UK Government about both the value and the role that things like fair work can and should play in procurement and it is why we have been preparing an ambitious Social Partnership and Public Procurement (Wales) Bill that will help enshrine those commitments in law. Nevertheless, there is an opportunity to use UK Government legislation as we leave the EU to reform the basic processes underpinning procurement. The UK Government has set out its proposals in the UK Government's Green Paper and has presented Welsh Government with the option to use Westminster legislation to reform those processes.'

Financial Services and Markets Bill

The government brief as published on 11 May describes its objective as enhancing the UK's position as global leader in financial services by 'cutting red tape' and aspects of EU legislation: reworking EU laws on financial services and reforming capital market rules to promote investment.

The Brexit Freedom Bill

This gives the government freedom to use secondary legislation (requiring much less parliamentary scrutiny) to amend 2,376 Acts of Parliament embodying EU regulations on all issues from building regulations to those governing medicines and food standards. The government describes its objective as improving UK competitiveness by cutting red tape costing the UK £1 billion pounds a year. The Bill does not specify which regulations will be removed but gives the government power to do so.

Europe's Economy and Sanctions on Russia

German/EU economy struggling

German industrial production fell by 1.8 percent in March (and by 0.8 percent in the wider Euro area). German capital goods production was down by 2.7 percent. The Frankfurt stock exchange index has fallen by over 12 percent since January 2022. The EU Commission is expected to set out on 16 May policies responses to the sharply slowing growth rates in the EU – down 1.3 percent from the previous 4 percent forecast for 2022. This will frame discussions later this month on whether or not to reimpose the financial terms of the EU Stability Treaty, currently suspended.

EU policies on Russia

A further package of sanctions against Russia is being discussed at a meeting of EU Foreign Ministers on 16 May. Hungary, Slovakia and, to a lesser extent, the Czech Republic, continue to oppose any form of total ban on Russian oil and look for a phased programme over the next couple of years. It has also been reported 'by a senior EU official', that an approach has also come from Biden's office supporting delay – with concerns that a full, immediate ban would push up petrol prices in the US in a way that would impact unfavourably on the US mid-term elections and Democrat control of Senate. EU foreign ministers will meet on 17 May to discuss arms supplies to Ukraine and is likely to agree a further 500m euro arms package.