

## NSAFS South West Employer Conference 2010

### Questions for John Penrose

MP for Weston-super-Mare, Shadow Business Minister

#### 1. Aren't the new regulatory bodies just more quangos?

I'm assuming this means the new 'Star Chamber' cabinet subcommittee which will enforce the regulatory budgets and 'one-in, one -out' rules – apologies if you meant something else. If I've interpreted the question correctly, this committee shouldn't be another quango. It won't have a budget, staff or managers – it's just a (very powerful and important) Whitehall committee which will enforce the much-needed discipline on Government departments and quangos which is currently missing.

#### 2. What incentives will the Conservative party put in place to ensure the UK's service industry doesn't completely follow the path of the UK's manufacturing industry and be able to compete with China and India? More outsourcing = less UK based jobs = perpetuation of the non-competitiveness of UK commerce?

Services have some natural advantages compared to manufactured products, since they aren't always as easily traded globally (think of lawyers and national legal jurisdictions, for example). But we mustn't be complacent, and many of the same measures which will be important for manufacturing jobs will also benefit services too: more people with better qualifications so we have a more highly-skilled workforce (the Conservatives will launch hundreds of new Academy schools, fund 400,000 new apprenticeships, and add another 10,000 graduates in 2010 too); a far simpler business tax system with many fewer special deals and schemes and a lower headline rate of corporation tax; NI holidays for start-ups and automatic business rate relief for small firms; less regulation and fewer quangos.

#### 3. What specifics do you have in mind for reducing red tape as far as money laundering regulations are concerned?

In general I'm trying to avoid dictating specific deregulation proposals to other Whitehall Departments, whether it's Treasury (as with money laundering), Communities and Local Government (for planning) or Children, Schools & Families (to make it easier to set up new academy schools). If I try to dictate, it's likely to create huge resentment and entrench internal opposition when, in fact, we need to generate an entirely new culture where each Department comes up with its own proposals to hit the regulatory budget targets which they've been given. Specifically on money-laundering, the existing firms (banks, lawyers etc) who are affected by the current regulations are best placed to advise on the changes which could be made to prevent laundering effectively, while reducing the hassle and bureaucracy of the existing system. The Treasury should be orchestrating these and other proposals in their area, because they will need ideas to cut bureaucratic burdens if they're to meet their budget targets.