OBR figures show SNP oil assertions were “a tissue of lies”

8 Mar 2017

The OBR has today cut its forecast for oil and gas receipts in its latest publication today.

Prior to the 2014 independence referendum, the SNP claimed it would receive revenues of up to £11.8 billion in 2017-18.

The OBR today estimates actual revenues for that year at £0.9 billion.

Estimated revenues for all the next four years have been revised down since the OBR’s last report in November.

Scottish Conservative finance spokesman Murdo Fraser said:

“These are troubling figures which only serve to reinforce the current fragility of Scotland’s oil and gas sector – and shows why the support announced by the UK Government today is so necessary.

“It also throws the SNP’s deception on oil prior to the independence referendum into stark relief.

“The SNP knew their oil forecasts were based on fantasy figures but they tried to fool people anyway. Their oil con has now been exposed for the tissue of lies it was.

“The head of Nicola Sturgeon’s Growth Commission, Andrew Wilson, has admitted this week that oil receipts were part of their spending plans, and not a bonus.

“Nicola Sturgeon and John Swinney have gone into hiding over this scandal.

“They must now admit they were wrong, and spell out how they would fill Scotland’s £15bn deficit in the event we voted for independence.”

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http://cdn.budgetresponsibility.org.uk/March2017EFO-231.pdf

BCC comments on OBR forecast

Commenting on the latest forecasts by the Office for Budget Responsibility, published today in conjunction with the Chancellor's Spring Budget, Suren Thiru, Head of Economics at the BCC, said:

"The OBR's latest forecasts provide a more optimistic assessment of the UK's near-term economic prospects compared to the Autumn Statement in November, though still not as bright as this time last year.

"However, in our view the OBR is too bullish about the UK's near-term growth prospects. We expect that inflation will be a greater challenge to the UK economy than the OBR currently predicts, with price growth overtaking pay growth this year. This is likely to squeeze consumer spending, a key driver of UK growth. The OBR forecast also confirms that UK economic growth is expected to remain unbalanced, with business investment and trade forecast to add little to overall growth over the next few years, and will continue to leave the UK vulnerable to external shocks.

"On the public finances, the OBR have confirmed that the stronger than anticipated growth over recent quarters has boosted tax revenues and delivered a marked improvement to the UK's expected fiscal position. However, if economic conditions do become more challenging over the next few years than the OBR predicts, the UK's ability to generate tax receipts will come under greater pressure. Over the long-term, more needs to be done to achieve a sustainable strengthening and broadening of the UK's tax base, including greater support for firms looking to invest, recruit and grow their business."

Ends

Notes to editors:

The British Chambers of Commerce (BCC) sits at the heart of a powerful network of 52 Accredited Chambers of Commerce across the UK, representing thousands of businesses of all sizes and within all sectors. Our Global Business Network connects exporters with nearly 40 markets around the world. For more information, visit: www.britishchambers.org.uk

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£350m budget bonanza for Scotland means no need for SNP tax hikes

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- £350m budget bonanza for Scotland means no need for SNP tax hikes

8 Mar 2017

The additional £350 million coming to Scotland as a result of today's budget means the SNP does not need to hike people's taxes, the Scottish Conservatives have said.

Thanks to decisions made by Chancellor Philip Hammond, Scotland will receive the extra cash through Barnett Consequentials, including an additional £100 million for this coming year alone.

That – together with extra funds finance secretary Derek Mackay found in his own budget dealings totalling more than £230 million – means the Scottish Government has significantly more money for 2017/18 than it previously thought.

Shadow finance secretary Murdo Fraser said that means there's now no need for the SNP to make Scotland the highest-taxed part of the UK, and should relieve some of its cuts to public services too.

As part of today's budget, Mr Hammond confirmed the personal allowance would increase to £12,500, which takes 113,000 people out of tax altogether in Scotland.

Fuel duty will be frozen for the seventh year on the trot, which could save the average driver £10 every time they fill up at the pump.

And more support was announced for the north east with the creation of an expert group to look at helping the oil and gas industry.

Scottish Conservative shadow finance secretary Murdo Fraser said:

"The Chancellor has struck the right balance in this budget – keeping money in reserve as we prepare to leave the EU, but at the same time handing a boost to the economy.

"For Scotland alone, his plans will deliver an extra £350 million for the SNP government to spend as it wishes over the coming years.

"The SNP's double dose of local government cuts and income tax changes to penalise middle-earners is now utterly without justification.

“The simple truth is that, if it was focused on the day job, the SNP wouldn’t need to make Scotland the highest-taxed part of the UK.

“With even more spending power now at its disposal, a competent government could give taxpayers a break and find the cash to support social care and schools across Scotland.

“The question facing the SNP is this – if Philip Hammond can support public services while protecting family pay packets, why can’t Derek Mackay?”

Below are additional comments from Scottish Conservative leader Ruth Davidson, who was speaking at a Scottish Property Federation conference this afternoon:

“My message to the Scottish Government is this.

“As I said earlier, despite the Chancellor’s cautious approach on spending, his budget this afternoon means that the Scottish Government now has £350 million extra to spend over the coming years.

“That includes £100 million to spend in the next financial year alone.

“This is extra cash that the SNP had not planned for in its budget.

“With this extra money, the finance secretary’s claim that council cuts and tax rises are necessary has therefore been substantially eroded.

“So I hope that the SNP will use this extra resource to support councils which require it, and give taxpayers and businesses a break.

“We simply do not need to send out the message that higher taxes are necessary in Scotland.

“I urge the SNP to think again.”

Press release: Directors who manipulated accounts disqualified

An Insolvency Service investigation found that Mr Dhillon caused, and Ms Dhillon allowed, the companies to operate in manner which lacked probity, as a result of which a bank suffered a loss totalling £31.767m.

Mr and Ms Dhillon were directors of Dhillon hotels Limited, Liongate Hotel Limited, Crown Hotel (Amersham) Limited, which entered administration on 20 September 2012 and PHB Realisations 2013 Limited (formerly Paragon Hotel

(Birmingham) Limited) and Paragon Birmingham Limited which entered administration on 21 September 2012. The companies had operated the following hotels:

- The Olde Bell Coaching Inn, High Street, Hurley-on-Thames
- The Lionsgate Hotel, Hampton Court Road, Kingston-upon-Thames
- The Crown Inn, High Street, Amersham
- The Paragon Hotel, Alcester Road, Birmingham
- with Paragon Hotel (Birmingham) Limited being a holding company

Mr and Ms Dhillon operated a group of hotels, all of which were subject to the same bank lending facility and cross guarantees. The investigation found the Dhillon's utilised the various companies for personal expenditures which were attributed by the group accounting department to director loans, these directors being Mr and Ms Dhillon.

The lending facility was subject to strict covenants regarding the ratio of turnover to lending/interest. The bank was provided with regular management accounts which showed that the covenants were being met. These were inaccurate constructions solely for that purpose. Accounts were then filed at Companies House which were consistent with management accounts presented to the bank (in the form of year-end adjustments within the accounting system). These adjustments had the effect of obscuring personal expenditure and inflating the value of assets, thereby inverting and obscuring the true position.

In tandem with these erroneous adjustments, a large property (Paragon Hotel in Birmingham) was presented, from 2009, as being about to be sold to an unconnected third party. This sale was asserted to be subject to delays, during which time nearly £13m more was loaned against the security it was purported to provide. The truth was the supposed purchaser had entered Administration in 2009. The property was ultimately sold for £3m by the office holders in 2013.

The Insolvency Service investigation also found, and Mr and Ms Dhillon accepted, that:

- the bank was knowingly provided with management accounts which presented an inaccurate picture of the true financial and trading position of each company and the Companies together
- the accounting system used by the companies was knowingly manipulated through the use of year end adjustments to have the appearance of consistency with management accounts presented to the Bank in relation to each company and the Companies together
- the bank was falsely informed that Paragon Birmingham Limited was continuing the process of selling the Paragon Hotel at a price of circa £18m when the proposed purchaser had entered Administration on 7 December 2009 and no such sale was possible, probable or likely
- the overdraft increased from £5.5m on 24 March 2009 to £18.29m on 8 May 2012
- the bank continued to provide moneys to the Companies by way of extended overdraft facilities on the basis of the proposed sale of The Paragon

Hotel
- the accounting records maintained on behalf each company were not accurate and complete
- the financial statements lodged at Companies House therefore could not be accurate

At Administration the bank was owed £48.304m with secured assets being realised/valued at £16,537m, resulting in an estimated shortfall of £31.767m

Commenting on the disqualification, Cheryl Lambert, Chief Investigator at the Insolvency Service, said:

> Directors have a duty to ensure that the procedures they construct and oversee comply with the law. Directors who do not comply with this basic obligation can expect to be investigated by the Insolvency Service and enforcement action taken to remove them from the market place.
>
> In this case, Mr Dhillon was responsible for the construction of a long term and complex web of lies, by manipulating the internal financial systems of a group of companies. Additionally, the sale of a very large asset was claimed to be occurring resulting in almost £13m of further lending being made, which were then used within their empire of companies and which allowed the Dhillons to continue to benefit from their continued operation.
>
> In court proceedings relating to Mr Dhillon's business affairs a judge branded him as a man who "regards truth as a merely optional extra when doing business." Following the Insolvency Service's investigation I can only agree with that conclusion.
>
> Ms Dhillon took no action to prevent the long term implementation of that deceit, whilst benefiting from the continued operation of the companies and the increased funds overdraft extensions.
>
> This activity goes to the very core and basis of the economic system, with Mr Dhillon knowingly creating a scheme to obscure his activities and the real position in relation to the company's trading and solvency.
>
> Taking action against Ms Dhillon is a warning to all directors to seriously consider, and ensure they perform their duties and obligations and not hide behind the corporate veil or claim

ignorance of acts, whilst accepting the rewards and benefits of corporate trading.

Notes to editors

Dhillon Hotels Ltd (CRO 02368567) was incorporated on 5 April 1989. Its registered office was 118 Piccadilly, Mayfair, London, W1J 7NW and traded The Olde Bell Coaching Inn, High Street, Hurley-on-Thames.

Lionsgate Hotel (Amersham) Ltd (CRO 04173719) was incorporated on 6 March 2001. Its registered office was 118 Piccadilly, Mayfair, London, W1J 7NW and traded The Lionsgate Hotel, Hampton Court Road, Kingston-upon-Thames.

Crown Hotel (Amersham) Ltd (CRO 05195352) was incorporated on 2 August 2004. Its registered office was 118 Piccadilly, Mayfair, London, W1J 7NW and traded The Crown Inn, High Street, Amersham.

PHB Realisations 2013 Ltd (CRO 05834739) was incorporated on 1 June 2006 as Paragon Hotel Birmingham Ltd and changed its name on 17 May 2013. Its registered office was 118 Piccadilly, Mayfair, London, W1J 7NW and traded The Paragon Hotel, Alcester Road, Birmingham.

Paragon Birmingham Ltd (CRO 05880199) was incorporated on 18 July 2006. Its registered office was 118 Piccadilly, Mayfair, London, W1J 7NW. Paragon Birmingham Limited operated as holding company.

Dhillon Hotels Ltd, Lionsgate Hotel Ltd and Crown Hotel (Amersham) Ltd were placed into Administration on 20 September 2012.

PHB Realisation 2013 Ltd (formerly Paragon Hotel (Birmingham) Ltd and Paragon Birmingham Ltd were placed into Administration on 21 September 2012.

Sarah Megan Rayment and Anthony David Nygate, BDO LLP, 55 Baker Street, London W1U 7EU were appointed joint Administrators of all five companies.

Sarina Thiara Dhillon is of 19A Warrington Crescent London W9 1ED.

Novtej Singh Dhillon now resides 8b Albert Palace, Kensington, London W8 5PD and was formerly of the 16e Portland Road London W11 4LA.

The Secretary of State accepted an undertaking from Samina Thiara Dhillon on 23 December 2016. The disqualification commences on 13 January 2017.

The Secretary of State accepted an undertaking from Novtej Singh Dhillon on 24 January 2017. The disqualification commenced on 14 February 2017

A disqualification order has the effect that without specific permission of a court, a person with a disqualification cannot:

- act as a director of a company
- take part, directly or indirectly, in the promotion, formation or management of a company or limited liability partnership

- be a receiver of a company’s property

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings. Persons subject to a disqualification order are bound by a range of other restrictions.

The Insolvency Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), administers the insolvency regime, and aims to deliver and promote a range of investigation and enforcement activities both civil and criminal in nature, to support fair and open markets. We do this by effectively enforcing the statutory company and insolvency regimes, maintaining public confidence in those regimes and reducing the harm caused to victims of fraudulent activity and to the business community, including dealing with the disqualification of directors in corporate failures.

BEIS’ mission is to build a dynamic and competitive UK economy that works for all, in particular by creating the conditions for business success and promoting an open global economy. The Criminal Investigations and Prosecutions team contributes to this aim by taking action to deter fraud and to regulate the market. They investigate and prosecute a range of offences, primarily relating to personal or company insolvencies.

The agency also authorises and regulates the insolvency profession, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is available.

All public enquiries concerning the affairs of the company should be made to: Cheryl Lambert, Chief Investigator, Investigations and Enforcement Services, The Insolvency Service, 3rd Floor, Abbey Orchard Street, London SW1P 2HT. Tel: 0207 596 6117. Email: Cheryl.Lambert@insolvency.gsi.gov.uk.

Media enquiries for this press release – 020 7674 6910 or 020 7596 6187

You can also follow the Insolvency Service on:

Budget 'utterly fails to address the challenges of our time', say Green

Party

8 March 2017

*** No mention of climate change in Chancellor’s speech**

*** ‘Woefully inadequate’ resources for health and social care**

*** ‘Utter failure’ to address the air pollution emergency**

Caroline Lucas, the co-leader of the Green Party, has given a damning verdict on today’s Budget. With the Chancellor refusing to give the NHS and social care the funding that experts say is needed, and with Phillip Hammond’s speech failing to mention climate change, Lucas said that the Budget ‘utterly fails to address the challenges of our time’.

Caroline Lucas MP said:

“This budget should have been an emergency intervention to end the chaos in health and social care and address the air pollution emergency, but instead it’s another resounding failure from a Government that’s got no ideas beyond an obsession with scaling back the state.

“With our NHS in peril and social care in the midst of a crisis this Budget was a chance for the Government to take a stand for the public services upon which we all rely. Instead they continue to push ahead with planned Corporation tax cuts, and their handout to high earners, while unveiling woefully inadequate funding changes for the NHS and social care. . The Government’s obsessions with slimming down the state is causing misery – and their refusal to think again on this issue is inexcusable.”

Lucas also slammed the Government for a ‘climate failure’ Budget and for refusing to act on air pollution:

“The Chancellor has utterly failed to get a grip on the air pollution emergency in Britain, and this budget simply won’t go anywhere near far enough in cleaning up the filthy air which leads to 40,000 early deaths per year. With the cost of motoring dropping in recent years – and public transport costs skyrocketing – we should have seen the fuel duty escalator unfrozen and the money ploughed into public transport. Instead we’ve seen further handouts to the motor lobby and persistent neglect for cleaner, healthier forms of transport.”

“This budget is another climate failure – with Chancellor failing to mention climate change even once in his speech.. Rather than reversing the solar tax hike or ploughing money into renewables the Chancellor seems hell bent on drilling for more gas and oil in the North Sea, and handing further cash to the motor lobby with the fuel duty freeze. Britain should be leading the world in climate change technology and green jobs but instead we’re lagging behind and laying the foundations for another dash for gas.”

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