

Labour will protect the high street by ending damaging bank closures

Labour will introduce major changes to bank law to prevent banks forcing through closures of vital high-street banks

As part of Labour's plans to rejuvenate the high street and protect local communities, the next Labour Government will make major changes to the banking law that will prevent banks closing their vital high-street branches and damaging local communities and small businesses.

Despite the introduction of an "Access to Banking Protocol" to prevent closures by this Conservative Government, the Consumers Association reports that 1,046 local bank branches closed in the UK between December 2015 and January 2017, with another 486 already scheduled for closure this year.

But the Big four banks made over £11bn profits from their high street banks in 2015, and can afford to provide this vital customer service instead of prioritising cost-saving measures that damage communities and small businesses.

Over two-thirds of small businesses claim that a local bank branch is important and lending to small businesses has been found to drop by 63 per cent in areas with a recent bank branch closure. For deprived communities and households, loss of a local bank branch significantly diminishes their abilities to access even basic financial services. Older people are significantly less likely to use internet or phone banking services.

Labour believes tougher action is needed on our major banks to prevent them putting their profits first and making short-sighted and damaging decisions. We will replace the toothless Access to Banking Protocol with the force of the law to bring banks into line.

Shadow Chancellor John McDonnell, will say:

"High street bank closures have become an epidemic in the last few years, blighting our town centres, hurting particularly elderly and more vulnerable customers, and local small businesses whilst making healthy profits for themselves. It's time our banks recognise instead that they are a utility providing an

essential
public service.

“Only
Labour will put in place the legal obligations needed to bring banks into
line
and stand up for our high streets, communities and small businesses.”

Emeritus

Professor, Prem Sikka, University of Essex, who advised on the policy, said:

“Banks
receive considerable financial support from the public and in return should
be
required to provide financial infrastructure that meets the needs of
individuals and businesses.”

ENDS

Notes:

1. A future Labour government will broaden the duties of the Financial Conduct Authority (FCA) and amend relevant provisions of the Financial Services and Markets Act 2000 (FSMA), particularly Part 4A of the Act, which authorises banks to carry on the regulated activity (i.e. the ‘banking licence’). These amendments would require banks to accept the conditions laid down below:

a. Prior to the closure of any branch, banks must undertake a consultation with all customers of the branch which it proposes to close. It must also consult representatives of the relevant local council.

b. The bank must publish details of the reasons for closure, including financial calculations showing the revenues and costs of the relevant branch. The share of central costs (e.g. accounting systems, IT, cyber security, personnel function) allocated to the branch must be separately identified, especially many of these costs are relatively ‘fixed’ and are not proportionate to the number of branches.

c. The consultation process must be overseen by the FCA, and the FCA must ensure that the closure of the branch does not degrade the local financial infrastructure. The closure of the branch must not make the local community worse-off.

d. The FCA’s approval will be needed for any branch closure.

e. Upon approval by FCA, customers and local communities must be given 3 months’ notice to enable them to make appropriate arrangements.

2. Labour will amend the statutory objectives, as given at s.9B of the FSMA 2000, of the Financial Policy Committee should include a new objective, the “Consumer Protection Objective”, which will oblige the FPC to oversee (i) the accessibility of financial services to geographic communities in the UK, and (ii) the availability of financial services to all sectors of the population.

3. The British Bankers Association found that 68 per cent of small businesses surveyed thought that having a bank branch on the high street was important. See Barty, J and Ricketts, T. (June 2014), *Promoting competition in the UK banking industry*

4. Move Your Money research found that “Before a branch closure, lending for SME’s within a given postcode grows from one quarter to the next by 2.13 per cent on average. But after a branch closure in that postcode, average Q-2-Q growth in SME lending drops to only 0.79 per cent – a staggering 63 per cent reduction.” Travers-Smith, F. (July 2016), *Abandoned Communities: the crisis of UK bank branch closures and their effects on local communities*

5. The Social Market Foundation found that 11% of the population (7m people) use no other banking service than their local high street branch, and that these are overwhelmingly older and/or poorer. See Evans, K. (January 2016), *Bricks and Clicks: Understanding How Consumers Manage Their Money*, London: Social Market Foundation

6. Bank branch closure figures from Goodman, R. (December 2016), “Revealed: 1,000 bank branches shut in two years”, *Which?*

7. Banking high street profits given in Travers-Smith, F. (July 2016), *Abandoned Communities: the crisis of UK bank branch closures and their effects on local communities*, p.13

THE FUTURE OF LOCAL SERVICES IS AT STAKE – ROWLEY

14 April 2017

Scottish Labour campaign manager Alex Rowley today urged Scots to use their vote in the forthcoming council election, warning ‘the future of our local

services is at stake'.

Postal ballots started landing on doorsteps across Scotland this morning, with tens of thousands of Scots expected to cast their vote by post. To apply to vote by post, click [here](#).

Mr Rowley said voters face a choice between electing a local champion with Labour or an SNP councillor who will only care about another divisive independence referendum.

The SNP has cut £1.5billion from local services since 2011, including £170million this year alone.

Speaking after a photo-call to mark the start of postal voting, Scottish Labour deputy leader and local election campaign manager Alex Rowley said:

"As postal votes begin to land on doorsteps, people must start to seriously think about what these elections are about.

"This is a vital election and it is crucial that people get out and vote. The future of our local services is at stake.

"Voters can send Nicola Sturgeon a message that they want her to focus on the things that really matter – like getting people into work, investing in local schools, and growing the economy.

"Instead of trying to impose another divisive referendum that the people of Scotland don't want, the SNP should focus on the job of government.

"Every Labour councillor elected will be a local champion for more investment in local services like schools and care of the elderly. Every SNP councillor will put another divisive independence referendum first.

"That's the choice voters face. Only Labour can stop the SNP. If people want more investment in local services and councillors who will put their community first, then they have to vote Labour."

News story: Vaisakhi 2017: Theresa May's message

I send my best wishes to everyone in Britain and around the world celebrating Vaisakhi, one of the most important dates in the Sikh calendar and a time when families and friends come together to commemorate the birth of the Khalsa.

As Sikhs across the globe take part in spectacular processions, and neighbourhoods and gurdwaras burst forth with colour, I would like to take

this opportunity to celebrate the immense contribution British Sikhs make to our country. Whether it's in the fields of business, the armed forces or the charitable sector, you consistently follow the pillars of your faith and in so doing set an example to us all.

Your values – of equality and respect, of fairness and helping those less fortunate than yourselves – are values we need more than ever, as we forge a new, ambitious, role for Britain in the world.

I am determined to build a country that works for everyone; a country where no matter who you are, you can achieve your goals, and the Sikh community is a vital part of that mission.

So as the dancing and the festivals begin, at home and abroad, I'd like to thank you for all that you do and to wish you a very happy Vaisakhi.

Press release: New £10 million fund to restore peatland

A £10 million grant scheme to restore England's iconic peatlands has been launched by the Government today.

Peatlands cover 11 per cent of England's landscape and provide a fantastic habitat for a wide range of birds such as the merlin, dunlin and golden plover.

They also provide 70 per cent of our drinking water and reduce greenhouse gases by locking away at least 3.2 billion tonnes of CO₂.

The £10 million will be available for wildlife trust and charity projects to re-wet mosses, bring back missing plants and restore a thriving habitat to our peatlands across the country. This is in addition to the £4 million Defra has already allocated to existing Natural England peatland restoration schemes in England.

Environment Minister Thérèse Coffey said:

Peatlands are an iconic aspect of the English landscape which are not only a haven for wildlife but also provide us with clean water and help reduce greenhouse emissions.

This funding will help restore thousands of hectares of this precious habitat to its natural state and is a key part of our ambition to be the first generation to leave the natural environment in a better state than we found it.

Natural England Chairman Andrew Sells said:

Peatlands are one of the most important resources in England for wildlife and people. They are our answer to tropical rainforests, storing hundreds of thousands of tonnes of carbon a year, providing clean drinking water, beautiful landscapes and valuable wildlife habitats, as well as reducing the risk of flooding.

This investment will support practical restoration initiatives such as rewetting and seeding with Sphagnum mosses, an essential ingredient in restoring our peatlands for future generations.

In addition to this, plants and animals unique to this habitat, including the white-faced darter dragonfly and round-leaved sundew, will be better protected for years to come.

The funding will be available for projects that restore upland and lowland peatlands to their natural state, increasing their capacity to prevent carbon entering the atmosphere, reduce flood risk by slowing the flow of rain water and create habitats for vulnerable wildlife.

The scheme will open in May and funding will target sites with the greatest potential for greenhouse gas reduction. Projects that deliver better value for money and maximise environmental benefits will be favoured for funding.

Funding will be available for three years from April 2018 as part of Defra's £100 million of capital funding for direct investment in projects that support the natural environment. More details, including how to bid for grants, will be provided when the scheme opens for bids.

Speech: "Al Shabaab remains a vicious threat to security in Somalia, and indeed to the region."

Thank you Madam President for convening this session and for maintaining the Security Council's focus on preventing conflict in Africa.

I also thank Kairat for his comprehensive briefing, as Chair of the Committee, and for his tireless efforts to advance the work of the Committee since he took on the role.

And as he has reminded us, Al Shabaab remains a vicious threat to security in Somalia, and indeed to the region.

The sanctions regime remains in place to reduce that threat from Al Shabaab and to tackle threats to peace and security.

It does so firstly through the arms embargo. The regime makes it harder for illicit weapons to flow into Somalia, and it supports the Federal Government of Somalia to establish robust arms and ammunition management, accountability and transparency. These are key elements in wider security sector reform, which is both essential and urgent.

To help make progress on this vital issue, in May the United Kingdom will host the London Somalia Conference, co-chaired with the Secretary-General and the Federal Government of Somalia. We will accelerate progress on security and agree the new international partnership needed to keep Somalia on track towards increased peace and prosperity by 2020. Central to this is continuing the battle against Al Shabaab.

But as several Security Council members said during the peacekeeping debate convened by the United States Presidency last week, we cannot defeat armed groups through military means alone. The political progress made by Somalia in 2017 has laid the essential foundations for peace, stability and growth which will be so vital to ensuring that Al Shabaab's support is choked off at the political and economic level, as well as through the restrictions of the sanctions regime which denies Al Shabaab its revenue streams.

This sanctions regime cuts off Al Shabaab's funding, it preserves Somalia's natural resources for the benefit of its people and Somalia's economic empowerment, it tackles spoilers to Somalia's political progress, and it helps to support the development of Somalia's security forces. In this way this regime supports the Federal Government of Somalia's fight against Al Shabaab, alongside the bravery and sacrifice of the troops of AMISOM.

And now more than ever Somalia needs our continued support. The consequences of the drought in Somalia are far reaching and we must all take action now to address the humanitarian crisis, and preserve the political and security gains that have been made since 2012.

Turning to Eritrea, Madam President, I would like to commend the Chair for his great efforts, and those of his team for their work to engage with the Government of Eritrea since assuming the role.

The UK continues to urge the Government of Eritrea to comply with its international obligations, including compliance with the Chapter VII resolutions of this Council. We welcome the increased engagement by Eritrea with UN human rights mechanisms. And we continue to urge Eritrea to engage with the Committee, its Monitoring Group and this Council.

We should also recall that some serious outstanding issues remain. Firstly, the ongoing mediation by Qatar is vital to ensure that all Djiboutian combatants missing as a result of the 2008 conflict, including the bodies of

any who have died, are accounted for, and their families given all the information available.

And secondly, the ongoing refusal by the Government of Eritrea to cooperate with the Monitoring Group, including by allowing them to visit Eritrea, means that we have no way of verifying the Group's lack of evidence for Eritrea's support for Al Shabaab, and of understanding the concerns about support for other regional armed groups.

We hope that by the time of the review of the sanctions on Eritrea, due following the mid-term report of the Monitoring Group, the Council will have some positive momentum to reflect on. To that end, we encourage Eritrea to take the opportunity for engagement, which this Council is once again offering.

Thank you Madam President.