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.”

---

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

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

- Home
- All News
- £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:

British Chambers of Commerce: Full reaction to Spring Budget 2017

Giving his full reaction to the Budget, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

“Businesses had been advised to expect minimal change, rather than a blockbuster Budget, and Philip Hammond did not disappoint.

“Short-term support for firms hardest-hit by business rates rises will be welcomed, along with commitments to technical education, digital connectivity, easier R&D tax credits, and a one-year delay to digital tax reporting for the very smallest firms. Conversely, hikes to dividend taxes and national insurance for the self-employed will be viewed far less positively by entrepreneurs.

“While businesspeople appreciate a steady hand on the tiller, the government is sending mixed signals by holding investment largely steady at precisely the time that it is exhorting British businesses to double down. More needs to be done in the coming months to improve infrastructure, promote international trade, and encourage lagging business investment to ensure the UK is Brexit-ready.”

On Business Rates, the top campaign priority for Chambers of Commerce at the Spring Budget, Marshall said:

“The business communities hardest-hit by this year’s business rates revaluation will breathe a little easier thanks to the Chancellor’s decision to offer a package of transitional reliefs.

“We now challenge councils across England to use every penny of the new funding announced by the Chancellor to offer relief to the hardest-hit businesses in their areas, without excuses and without delay.

“However welcome, measures that mitigate the short-term impact of business rate rises are little more than a sticking plaster. The radical changes needed to improve the broken business rates system will have to wait for another day. The campaign for radical reform – and an end to punishing levels of business property tax to ensure the Treasury raises enough to fund local services – continues.”

“The decision not to bring forward the switch in indexation from RPI to CPI will cost firms billions – bills they can ill-afford when taken together with other policy costs like the Apprenticeship Levy, pensions auto-enrolment and higher tax on insurance premiums.

“The government had an opportunity to re-visit the detail of reform to the appeals system but has not addressed the serious concerns ratepayers have. This will mean that more businesses seeking to correct an erroneous bill could go without redress.

“In the longer-term, fundamental change is needed, including stripping plant and machinery from rates assessments that does so much to discourage business investment.

On investment in technical skills, Adam Marshall, said:

“Business communities across the country tell us that improved technical education and stronger workplace experience are needed to help them fill the skills gaps they face.

“These announcements represent an important step in the right direction over the coming years. Ensuring that businesses of all sizes, and in all regions, have an input into the design of the new system will be crucial to its success.

“Business, educational institutions and government need to work together over the coming years to ensure that parity of esteem between academic and technical education is achieved. The cultural and funding bias towards academic routes that pushes young people toward A-levels and university still needs to be addressed.”

On ‘returnships’, Adam Marshall, said:

“Encouraging people back to work is crucial for providing businesses with the skills and talent that they need. Companies across the UK are facing skills shortages, and will welcome efforts to help those who have taken career breaks get back into business.”

On international trade, Mike Spicer, Director of Research and Economics, said:

“There was a noticeable and disappointing absence of any new support for exporters, or measures to encourage international trade in this Budget. As we begin the Brexit process, it’s more important than ever to get UK businesses trading their goods and services with the world. The government must do more to incentivise and promote companies to be ambitious and trade to new markets.”

On research and development, Mike Spicer, said:

“Reducing the cost of accessing the tax credit will encourage investment in research & development which should boost the UK economy at a time when productivity growth remains weak. However, to ensure that UK firms remain competitive on the global stage it is vital that greater investment in research and development is supported by retention of our intellectual property.”

On digital infrastructure, Fiona Krasniqi, digital spokesperson at the BCC, said:

“We welcome the announcement on full-fibre broadband connection vouchers as businesses need faster and more reliable connections, that also offer impressive upload and download speeds. The governments focus must now be on rural areas and existing business parks that still do not have superfast connections. The private sector will invest where there is a demonstrable return on investment and we would urge that the scheme is communicated effectively to the business community and providers.”

On 5G strategy, Fiona Krasniqi, said:

“We have long-called for the UK to lead the world in developing 5G technology, so we are pleased to see the groundwork for this finally begin with the new National 5G Innovation Network. It is positive to hear that strategy will explore how to improve coverage on road and rail routes as businesspeople must be able to work successfully and without interruption whilst on the move.”

On the Making Tax Digital scheme, Suren Thiru, Head of Economics, said:

“The temporary deferral of making tax digital for firms below the VAT threshold is a welcome step. However, while this will help to ease some of the administrative burden for our smallest businesses, there continues to be serious reservations about HMRC’s ability to deliver such a major undertaking. HMRC must ensure that the move to digital tax accounts does not create new burdens for businesses, and must work closely with the business community, accountants and other stakeholders on their plans for implementation.”

On changes to the tax system for the self-employed, Suren Thiru, said:

“Many entrepreneurs and sole traders will be disappointed to see significant rises to their National Insurance bills over the coming years. Ministers need to ensure that these business people, who make a significant contribution to the economy, also get the recognition and benefits that correspond to their contribution.”

On the reduction of the dividend allowance, Suren Thiru said:

“Whilst the reduction is relatively small, this will come as a blow to many small business owners. Alongside changes to the tax system for the self-employed, the government risks undermining the UK’s entrepreneurial spirit.”

Ends

Notes to editors:

Spokespeople are available for interview, please call the press office.

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:

Media contacts:

Orla Hennessy – Press and Communications Officer

020 7654 5813 / 07825746812

[Press release: M5 travel advice in Gloucestershire as Cheltenham Festival gets under starter’s orders]

Highways England has advised drivers using the M5 in Gloucestershire to plan ahead and allow extra travelling time during next week’s world famous Cheltenham Festival.

The popular event runs from Tuesday, 14 March until Friday, 17 March with more than 200,000 people expected to attend throughout the week.

The Festival concludes with Friday’s Gold Cup which can see more than 65,000 people attend on a single day. The busiest times on the roads are expected to be between 9.30am until 12.30pm each day. Queues are likely on the approach to M5 junction 10 southbound, and on all approaches to M5 junction 11.

Gareth Price, Highways England emergency planning officer for the South West, said:

> Junctions 10 and 11 of the M5 are like to be busy on these days, particularly Friday, 17 March.
>
> Our aim is to keep the Highways England network running whilst keeping road users safe and informed. We advise all drivers to check our traffic and travel information channels, set off early and allow plenty of time for their journeys.

Highways England provides up-to-date traffic information via its website, via Twitter @highwaysSWEST, local and national radio travel bulletins, electronic road signs and mobile platforms.