

## **Standing Committee on Preparations for Euro held in HM Treasury (V)**

### **Attendance**

Chancellor of the Exchequer  
Economic Secretary to the Treasury - Melanie Johnson  
Minister for Energy and Competitiveness in Europe - Helen Liddell  
Minister of State at the Scotland Office - Brian Wilson  
Chair of the Cross Party Parliamentary Group on Euro Preparations - Barry Sheerman  
Governor of the Bank of England - Eddie George  
Director and Head of Financial Supervision, Financial Services Authority-Howard Davies  
President of the CBI - Clive Thompson  
President of the British Chambers of Commerce - John Entwistle  
British Bankers Association - Andrew Buxton  
General Secretary of the TUC - John Monks  
Head of European Secretariat, Cabinet Office - David Bostock  
Gus O'Donnell  
Jonathan Taylor  
Sue Killen  
Mike Glycopantis  
Roger Hargreaves

### **Minutes of the meeting**

The Chancellor introduced the agenda. The meeting was an opportunity to report on progress since the publication of the outline national changeover plan in February 1999. The Chancellor welcomed Barry Sheerman, Chair of the Cross Party Parliamentary Group on Euro Preparations to the Committee. A second new member, the British Retail Consortium President David Sieff, did not attend because of BRC's AGM.

The Chancellor was very grateful to all the organisations who were working together to make preparations both to help business deal with the euro today and to make preparations for possible UK entry if that is what Government, Parliament and the people decide.

### **Public sector preparations for possible UK entry**

The Economic Secretary explained how the public sector was showing the lead in preparations:

- the legislation was now in place to allow key Government departments to spend money on preparations;
- all Government departments were producing individual outline changeover plans. They were discussing what any changeover would mean with their partners in the public and private sectors. The group of Euro Ministers, led by the Economic Secretary, had a key role to play here.

The Committee noted the importance of the need for the public sector to work closely with the private sector in drawing up plans.

### **Overall changeover planning**

5. The Committee noted the progress that had been made since the first outline national changeover plan was published. Over 100 organisations were engaged in changeover planning. A newly formed Project Management Group, with representatives from the public and private sectors was co-ordinating planning. As well as in public sector preparations, good progress had been made on:

- understanding the likely demand for services, especially banking services, during any changeover;
- developing a consumers' code of practice;

- notes and coins.

The Committee was very keen to learn as much as possible from the participating Member States, especially the experiences of SMEs in making the changeover.

The Chancellor reminded the Committee of the Prime Minister's commitment in February 1999 to publish a further plan 'in about a year's time'. The publication of the next outline plan would be an important step in the consultative process. The Committee agreed that the next outline national changeover plan should set out the progress made since the first plan, as well as set out the key next steps for future planning. The Chancellor would consult the Committee before publishing the next plan.

#### **Preparations to help business deal with the euro today**

8. Euro use in the UK, as well as in the rest of Europe, was fairly low in most sectors at the moment (the automotive industry was an exception). The Committee expected that use of the euro would rise next year. As use of the euro increases in the first wave a greater number of companies in the UK will find themselves affected. Many businesses were presently concentrating on dealing with the Millennium Bug. Once businesses had dealt with the issues arising from the Millennium Bug there would be an opportunity for all organisations to step up information activities, aimed at raising the levels of preparations for the euro.