

Budget 2015 announced

George Osborne, Chancellor of the Exchequer, delivered his final budget before the General Election. The budget featured a number of positive announcements for the automotive sector, including the announcement of a £100m funding programme into the Research and Development of Intelligent Mobility, which will focus on enhancing the development of driverless car technology and the wider systems required to implement and adopt the technology. A further £5m was announced for intelligent mobility academic research at the University of Oxford. Government also announced funding of £40m to develop 'Internet of Things' technologies. Other key announcements for the sector included:

- Trade: Budget 2015 includes £7.5m funding to support trade and investment with China.
- Low emissions vehicles: in 2019-20 company car tax for ULEVs would increase more slowly than rates for other cars which increase by three percentage points.
- R&D tax credits: Government will increase the rate of the above the line credit to 11% and will increase the rate of the SME scheme to 230%, from 1 April 2015.
- Energy systems catapult: £60m investment into energy research, conducted by universities in the Midlands.
- Business Rates: Government's preference is for business rates to remain a tax based on property values; however government is open to alternative methods to raise revenue. Furthermore, government will pilot schemes from 1 April 2015 for regions to retain 100% of any additional growth in business rates above expected forecasts.
- Digital infrastructure: Government will provide £600m to support the delivery of the change of use of 700MHz spectrum, which will look to further enhance the UK's mobile broadband connectivity. Government has published its '[Digital Communications Infrastructure Strategy](#)', proposing how best to support market delivery. (Source: HM Treasury)
<https://www.gov.uk/government/publications/budget-2015-documents>

HM Treasury launch review of business rates

HM Treasury has launched a review of national business rates. The review, set to report back by Budget 2016, will look at how businesses use property, what the UK can learn from other countries about local business taxes, and how the system could be modernised. Government is conducting the [review of business rates](#) in England in response to concerns that the system is in need of reform. This document sets out the terms of reference for the government's review and provides further information on the review's aims. Government welcomes responses from a wide range of interested stakeholder to the questions and requests for evidence included in this paper by 12 June 2015. (Source: HM Treasury)
<https://www.gov.uk/government/news/government-paves-the-way-for-reform-of-business-rates>

New apprenticeship funding mechanism announced

Government will reform apprenticeship funding through the introduction of an Apprenticeship Voucher. This will put employers in control of the government funding for the training apprentices need. The new mechanism will be developed and tested with employers and providers immediately and fully implemented from 2017. In addition, government has announced that the apprentice National Minimum Wage rate will be set at £3.30 which represents a rise of 57 pence. From 1 October 2015, National Minimum wage rates will change:

- the adult rate will increase to £6.70 per hour
- the rate for 18 to 20 year olds will increase by 17 pence to £5.30 per hour
- the rate for 16 to 17 year olds will increase by 8 pence to £3.87 per hour
- the apprentice rate will increase by 57 pence to £3.30 per hour
- the accommodation offset increases from the current £5.08 to £5.35

(Source: BIS)

<https://www.gov.uk/government/news/new-national-minimum-wage-rates-announced>

SMMT – production figures

Substantial growth in UK CV production

UK commercial vehicle manufacturing grew by 33.7% in February to 8,344 units. Production increased by 6.5% in the first two months of 2015, with 13,787 CVs manufactured. Demand from domestic market drives the sector performance, buoyed by strong exports.

Rise in UK cars production

The rise in domestic demand sees more than a quarter of a million UK cars built in 2015. The number of cars produced for the domestic market went up by 21.1% to 33,813 units. The market stays positive with UK manufacturers poised to see the return on billions of pounds worth of investment.

Engine manufacturing remains upbeat

UK engine manufacturers produced 207,773 units in February, 414,450 so far this year. Exports remained stable in February. The sector outlook remains positive as major investments are set to come to fruition in coming years.

(Source: SMMT)

<http://www.smmt.co.uk/category/news-events/news/>

SMMT – British cars becoming even more British

British cars are being made with more British-sourced parts as the UK automotive industry's renaissance continues apace, new research reveals. Figures from a new Automotive Council report show that domestic component makers sold 19% more products to UK vehicle producers last year than in 2013. The figures are an important step in the right direction for the UK automotive supply base. Currently around one third of the components in a UK-built car are domestically sourced, compared to more than 90% in the mid-1970s. However, vehicle manufacturing in the UK is undergoing rapid growth – British car production has increased by more than 50% since 2009, and this is creating new opportunities for domestic suppliers. The report, '[Growing the Automotive Supply Chain – The Opportunity Ahead](#)', was presented this week, at SMMT's Open Forum event in Leicester.

(Source: SMMT)

<http://www.smmt.co.uk/2015/03/british-cars-becoming-even-more-british-smmt-reveals/>

Week ahead

Commons Chamber

Monday 23 March

- Prime Minister's statement on the European Council
- Conclusion of the Budget debate

Tuesday 24 March

- Small Business, Enterprise and Employment Bill: Consideration of Lords amendments

Friday 20 March

- Continuation of Budget Debate
- EU membership (Audit of Costs and Benefits) Bill

Lords Chamber

Tuesday 24 March

- Draft Emissions Performance Standard Regulations 2015: Motion to approve
- Debate on the report from the EU Committee on the EU and Russia

Parliament dissolved: Monday 30 March 2015

