

WEEK IN WESTMINSTER

Week ending Friday 26 July

Government announces £10 million prize to make ultra-low emission cars

The Chief Secretary to the Treasury, Danny Alexander MP, has announced a £10 million prize to help incentivise the development of the next generation of ultra-low emission vehicles. The prize aims to further encourage commercial and investment opportunities in the UK's automotive industry. It will be awarded to technological improvements that allow ultra-low emission vehicles to function as everyday means of transport, travelling similar distances to internal combustion engine vehicles. Starting in late 2013, the competition will be open to businesses, universities and engineering experts and will be judged by a panel of experts on an ongoing basis. The prize will be run by the Office for Low Emission Vehicle and the Technology Strategy Board as well as a number of partners from industry and academia. Commenting on the competition Chief Secretary to the Treasury, Danny Alexander MP stated, "We want more companies to invest in cutting-edge research so that Britain is the global leader in ultra-low emission vehicles, and that is why we have announced a £10 million prize for innovations which will enable the next generation of low emissions vehicles to run as long as and as far as conventionally fuelled cars."

(Source: HM Treasury)

<https://www.gov.uk/government/news/10-million-pound-prize-to-make-ultra-low-emission-cars>

Government sets out plans to reform apprenticeship funding

Government has published a consultation seeking views on potential reforms to the way that apprenticeships are funded. These reforms were proposed by Doug Richard in his recent Review of Apprenticeships and seek to fund employers directly in order to change the current supply led funding scheme to a more demand driven process. This is hoped to give employers freedom to choose the training that is most relevant to the needs of the apprentices and their businesses, and which

represents best value whilst driving up the quality of service provided by training providers. The consultation is specifically seeking views on three proposed new systems of funding apprenticeships, although alternative models are also welcomed.

These are:

- Direct Payment Model: businesses register apprentices and report claims for government funding through a new online system; Government funding is then paid directly into their bank account.
- PAYE Payment Model: businesses register apprentices through a new online system; they then recover government funding through their PAYE return.
- Provider Payment Model: government funding continues to be paid to training providers, but they can only draw it down when they have received the employer's financial contribution towards training.

The consultation will run until 1 October. Commenting on the announcement Business Secretary Vince Cable MP stated: "Employers are the best people to judge what training is worth investing in. These reforms will mean just that. It gives them the power to train their staff to make sure their skills are relevant to the company, while choosing from the wide range of courses available. These measures are all part of the wider reforms the government is making to the apprenticeship system. By putting quality ahead of quantity and giving the training that companies actually want, we are helping to create jobs and support business."

(Source: BIS)

<https://www.gov.uk/government/news/government-sets-out-radical-plans-to-shake-up-apprenticeship-funding>



UKTI report states UK is leading European destination for Foreign Direct Investment

The UK's 2012/13 Inward Investment Annual Report, published by UK Trade and Investment (UKTI), shows that the UK has continued to strengthen its position as the leading European destination for foreign direct investment. The report shows that in the last financial year the UK saw 1,559 investment projects secured – 11% more projects than the number recorded during the previous year. These projects are estimated to have brought with them 170,000 jobs – 51% higher than in the previous year. Of these, nearly 60,000 were new jobs and 110,000 existing jobs were safeguarded. UKTI and its partners were involved in delivering nearly 85% of the projects secured. The annual report also shows that the recorded increases are spread throughout the UK. Wales and Northern Ireland in particular have recorded significant increases in investment projects – 191% and 41% respectively – while Scotland registered a 16% increase in the number of investments. The number of FDI projects landing in England (excluding London) increased by 10% reaching 759 projects. The investment results at the local level in England are also positive with most Local Enterprise Partnerships recording an increase in the number of investment projects in their areas. Commenting on the report's findings, Trade & Investment Minister Lord Green stated: "The UK has received a major vote of confidence from foreign investors confirming that the UK remains a world leading business destination. Attracting foreign investment is an important element of the UK Government's economic and growth programme and UKTI will continue to work with companies to help create and sustain a globally attractive, highly competitive and truly international economy." (Source: UKTI)

<http://www.ukti.gov.uk/uktihome/home/item/555480.html>



£1,500 Apprenticeship Grant for Employers (AGE) extended for another year

Government has announced that the £1,500 Apprenticeship Grant for Employers (AGE) has been extended for another year, in a bid to help small and medium sized business to take on an additional 35,000 young apprentices. The grant is available for companies with 1,000 employees or fewer and will be available until 31 December 2014. In addition, an enhanced London AGE 16 to 24 Grant of £3000 is available to employers with London postcodes until 31 December 2013. The enhanced London grant comprises of the £1500 available as part of the existing AGE grant, which has been matched by another £1500 from the London Enterprise Panel (LEP). Commenting on the announcement, Skills Minister Matthew Hancock stated: "Small and medium sized businesses are the lifeblood of our economy and by extending the £1,500 grant for a further year we will give them the skills they need to grow and help 35,000 more young people into meaningful employment." It has also been announced that Jason Holt, a small business and training academy owner, has been appointed as an Apprenticeships Ambassador, to encourage smaller businesses to take on an apprentice and that the National Apprenticeship Service (NAS) will launch a new film 'How to Hire an Apprentice', on apprentice.tv to guide employers through the process of recruiting. (Source: BIS) <https://www.gov.uk/government/news/government-sets-out-radical-plans-to-shake-up-apprenticeship-funding>

Week ahead

The House of Commons is in recess until 2 September.

House of Lords

No relevant business

The House of Lords rises for recess on 31 July, returning on 8 October.