

## WEEK IN WESTMINSTER

Week ending Friday 2 October

---

### Zac Goldsmith elected as Conservative London mayoral candidate

Zac Goldsmith will contest the 2016 London mayoral election for the Conservatives, it has been announced. The Richmond Park and North Kingston MP won 70% of the votes in an online primary election. He beat London Assembly Member Andrew Boff, MEP Syed Kamall and London's deputy mayor for crime and policing Stephen Greenhalgh. His main rival is likely to be Labour's Sadiq Khan. Caroline Pidgeon is the Lib Dem candidate, Sian Berry will contest the election for the Greens and UKIP has chosen its culture spokesman Peter Whittle. Current mayor Boris Johnson will step down next year after two terms in office. (Source: [BBC](#))

### Government introduces increase to apprentices' wages

On Thursday 1 October 2015, the apprentice rate of the National Minimum Wage (NMW) went up by 57 pence to £3.30 and the NMW rate for adult workers will rise by 20 pence from £6.50 to £6.70 per hour. Government has stated that by implementing a rate higher than the Low Pay Commission's (LPC) recommendation apprenticeships will deliver a wage that is comparable to other choices for work. The 3% increase in the adult rate is the biggest real increase since 2006 and moves the NMW closer to the average wage than ever before. The new rate means that a full time employee, working 40 hours, will see the largest cash increase in their annual pay packets since 2008. From 1 October 2015:

- the adult rate will increase by 20 pence 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](#))

### EEF – Manufacturers pay above the new National Living Wage

New research from EEF, the manufacturers' organisation, shows that the majority of manufacturers will see little impact from the move to implement a National Living Wage, with many already paying above the level currently proposed by Government. Despite this, however, many are still concerned about the potential for upward wage pressure and future wage rate uncertainty, while a minority warn that, for their business, implementation could lead to restructuring or job losses. The survey shows that over half of manufacturers (52%) are paying above the new National Living Wage to all employees aged 25 and over. Of those that are not, the majority (17%) only have a small proportion of their workforce (5% or under) earning less than the National Living Wage. This suggests that for the most part manufacturers will see little impact from the new National Living Wage. But despite this, almost half (45%) are concerned about the effect it will have on wage pressure within their businesses, as more highly paid workers seek to maintain pay differentials, while 37% say that the new National Living Wage will add to future wage rate uncertainty. Almost a third of manufacturers (31%) say that they won't need to take action in response to the implementation, while 37% will look to offset increased labour costs by boosting productivity. On a less positive note, however, two in ten (19%) say it could lead to reducing or restructuring their workforce. As a result, EEF has made a number of recommendations to the Low Pay Commission designed to ensure clarity, predictability and affordability for manufacturers going forward. Central amongst these is the recommendation that the National Minimum Wage and the National Living Wage should become one and the same.

(Source: [EEF](#))

## SMMT hosts Labour Party Conference Roundtable

The Society of Motor Manufacturers (SMMT) hosted a roundtable at the Labour Party Conference on Monday 28 September in Brighton. Political attendees included Ms Jude Kirton-Darling MEP, Ms Lucy Anderson MEP, Mr Justin Madders MP, Dr Alan Whitehead MP, Richard Burden MP and Kevin Brennan MP. The discussion concentrated on the importance of EU membership and growth and competitiveness achieved through trade. Jeremy Corbyn, who held his first conference speech after becoming Labour leader, made no surprise policy announcements but covered a range of issues including a vow to renationalise the railways. (Source: SMMT, [BBC](#))

---

## BCC: 'Two-tier' growth continues, with alarm bell for trade aspirations

The British Chambers of Commerce (BCC) Quarterly Economic Survey (QES) shows that Britain's two-tier growth trend continues. While both manufacturing and service balances were generally weaker this quarter, manufacturing balances declined to a much larger extent than in services. Most key national balances for the service sector dipped slightly on the previous quarter, although the balance for domestic sales recorded a healthy improvement. Overall, service sector balances remain relatively strong, indicating the sector's overall health is still robust. Nearly all key national manufacturing balances remained stagnant or fell, painting a picture of prolonged, slow manufacturing growth. Notably, the balance of manufacturing firms exporting their products reached a six year low. (Source: [BCC](#))



## Lord Lawson to lead UK EU exit group

Former Chancellor Lord Lawson is to lead a Conservative group pushing for a referendum vote to leave the EU. The peer, who predicted the government would only secure "wafer thin" reforms in its renegotiations, will be president of Conservatives for Britain. He said he would not share a platform with the rival Out campaign, UKIP-backed Leave.EU but said all were welcome to "rally" to his group. Speaking on BBC Radio 4's Today programme, he said there was "no economic benefit" to being in the EU. The union could not be changed without treaty change, which "isn't going to be forthcoming" as it requires unanimous agreement of other member states, he said. (Source: [BBC](#))

---

## Week ahead

**From Friday 18 September, the House of Commons and the House of Lords will be in recess until 12 October.**

### Party Conferences:

- **Conservatives**  
4 – 7 October in Manchester
- **SNP**  
15 – 17 October in Aberdeen