

WEEK IN WESTMINSTER

Week ending Friday 30 November

Automotive seeks taxation clarity in Autumn Statement

The UK automotive industry has identified vehicle taxation as a key issue as part of a wider package of industrial strategy measures that should reinforce the long-term growth and competitiveness of the sector, ahead of the Chancellor of the Exchequer's Autumn Statement on Wednesday 5 December. In a letter to the Chancellor, SMMT has called on government to revisit three core areas of vehicle taxation that impact on motorists and industry:

Low carbon vehicles - Government should revise the Budget 2012 decision to cut Company Car Tax rates for low carbon vehicles and commit to consumer incentives beyond 2015.

Capital allowances - The proposed 2013 reduction of Writing Down Allowance (160g/km CO₂ to 130g/km CO₂) should be delayed by a year.

VED - There should be no radical reform of VED until at least 2020. Instead, government should gradually and predictably adjust the regime allowing sustainable financial returns and environmental progress without impacting the sector's fragile recovery and development.

The Chancellor has been asked to ensure that he uses the Statement to support the ambitions of industry and government through an internationally competitive, Industrial Strategy. Paul Everitt, Chief Executive of SMMT, stated: "This year's Autumn Statement must support government's Industrial Strategy work, promoting the long-term prospects for low carbon vehicle technology and encouraging private sector investment in R&D, skills and capital equipment. There are real opportunities for UK manufacturing from the global success of UK-produced vehicles, but we need to ensure that companies in the supply chain can access the finance they need to grow. It would be great to see the Chancellor extend the funding available through the advanced manufacturing supply chain initiative (AMSCI) and confirming the new R&D tax credit regime will be up and running early next year". (Source: SMMT)

<http://www.smmt.co.uk/2012/11/automotive-sector-looks-for-taxation-clarity-in-autumn-statement/>

Energy Bill published

Rt Hon Edward Davey MP, Secretary of State for Energy and Climate Change, has announced details of the Energy Bill, published on Thursday 29 November. Headline announcements in the Bill include the creation of new long term 'contracts for difference', designed to bring on investment in low carbon power plant such as nuclear power stations and wind farms, and powers to introduce a capacity market, allowing for capacity auctions from 2014 for delivery of capacity in the winter of 2018/19, if needed, to help ensure security of energy supply. The bill does not contain a decarbonisation target as had been expected, but states that government will take a power to set a decarbonisation range for the power sector for 2030, and a decision to exercise this power will be taken once the Climate Change Committee has provided advice in 2016 on the fifth Carbon Budget, which covers the corresponding period (2028 – 2033). Alongside the bill, government has announced its intentions to exempt energy intensive industries from additional costs arising from the new CfD's. The scope of the exemption is currently being considered by DECC and BIS, who will run a consultation in 2013 once the proposed exemption has been further developed. DECC has also published a consultation seeking views on a number of key proposals to reduce electricity demand across the whole UK economy, including financial incentives to encourage uptake of energy efficient equipment in homes and businesses. The Electricity Demand Reduction will run until 31 January 2013. (Source: DECC)

http://www.decc.gov.uk/en/content/cms/news/pn12_151/pn12_151.aspx



Richard Review of Apprenticeships published

Government has published the Richard Review of Apprenticeships report, a government commissioned independent report into the state of apprenticeships in England. The report outlines a comprehensive overview of the system of apprenticeships, from the way funding is provided (through a tax-credit system that places funding directly in the hands of the employer), to the redefining of apprenticeships to be just for those who are new to a role, with a recognised industry standard, achieved through an end of study test, replacing the existing frameworks scheme. Key recommendations include:

- Redefining apprenticeships: They should be targeted only at those who are new to a job or role that requires sustained and substantial training.
- Focusing on the outcome of an apprenticeship - what the apprentice can do when they complete their training - and freeing up the process by which they get there. Trusted, independent assessment is key.
- Recognised industry standards should form the basis of every apprenticeship.
- All apprentices should reach a good level in English and maths before they can complete their apprenticeship.
- Government funding must create the right incentives for apprenticeship training. The purchasing power for investing in apprenticeship training should lie with the employer.
- Greater diversity and innovation in training – with employers and government safeguarding quality.

Commenting on the publication of the report, Secretary of State for Business, Vince Cable MP stated: “Doug Richard's review echoes the Government's current thinking on putting employers in the driving seat of our apprenticeship programme. This will be vital to ensure the skills of our workforce fit with employer needs. His recommendations will help us to build on the current successes of our apprenticeships programme and tailor a programme which is sustainable, high-quality and meets the changing needs of our economy in the decades to come”. Government will publish their response to the recommendations in early 2013. (Source: BIS)
<http://www.bis.gov.uk/news/topstories/2012/Nov/richard-review-of-apprenticeships>

Successful Round 1 AMSCI bidders announced

The Department for Business, Innovation and Skills has published the list of successful bids (subject to due diligence) for Round 1 of the Advanced Manufacturing Supply Chain Initiative (AMSCI). The total investment of the bids is £80 million with £30 million awarded from the AMSCI fund and £50 million leveraged from the private sector. There were two different streams in Round 1 of the competition. Up to £100 million of the overall funding was available for projects seeking to make a sectoral-level impact and collaboration to create world class excellence in supply chains in any manufacturing sector and any part of the country (Stream 1). Up to £25 million of the fund was available for projects from organisations operating as part of an aerospace or automotive supply chain; and based within the four Local Enterprise Partnership areas that were covered by the existing successful Regional Growth Fund bid (Black Country, Coventry & Warwickshire, Greater Birmingham & Solihull and Liverpool City Region). Successful bidders include ‘The Proving Factory’ in Rotherham, ‘Manufacturing expansion in the Midlands’ in Walsall, and ‘EXAMP’ in Coventry. (Source: BIS)

<http://news.bis.gov.uk/Press-Releases/Multi-million-pound-boost-for-UK-manufacturing-supply-chains-683f5.aspx>

Week ahead

The chancellor will deliver his Autumn Statement at 12:30pm on Wednesday 5 December

Commons Committees

Tuesday 4 December

Energy & Climate Change Committee (4:00pm, room 15) – Investment in energy infrastructure and the energy bill

Environmental Audit Committee (4:40pm, room 6)
Energy Intensive Industries Compensation Scheme
Wednesday 28 November:
Education Committee (9:30am, Wilson room)
Careers guidance for young people

HGV Road User Levy Bill Committee (8:55am and 2:00pm, Boothroyd room)

Wednesday 5 December

Public Accounts Committee (9:30am, room 15)
Strategic thinking in government (witness: Lord Heseltine)