

WEEK IN WESTMINSTER

Week ending Friday 10 December

November van and truck volumes show best rise of the year

SMMT has published new vehicles registrations for November 2010. New car registrations fell by less than expected in November with demand from the fleet sector helping to offset the market rebalancing following the end of the Scrappage Incentive Scheme. New car registrations fell by 11.5% in November to 139,875 units, performing ahead of forecast. The new car market remains 3.4% up over the first 11 months of the year at 1,907,029 units. Recovery in fleet volumes, up 10.7% over the year to date, is supporting the overall market. Registrations are expected to fall next month, but demand may benefit from motorists looking to avoid the January VAT rise. This factor, coupled with the strength of the first half of 2010, means year-end volumes are expected to lift to over 2.03 million units, 2% up from last year. Next year will continue to be challenging as consumer spending tightens and government's austerity measures take effect. November saw the sharpest rise in combined van and truck volumes so far this year as demand continues to recover, figures showing a 32.5% rise with 22,834 units. Trucks were up 79.6% to 3,706 in November and vans up 26.1% to 19,128 units. Overall bus and coach volumes fall 16.1% in November and 13.2% year to date. Midi-buses (8.5-16t) registrations rose by 10.9% in November while coach volumes rose 7.4% in November and 20.7% over the year to date. (Source: SMMT)

www.smmt.co.uk/articles/article.cfm?articleid=22843

All-Party Parliamentary Motor Group discusses low carbon technologies

Nearly 50 members from Parliament and the automotive industry met in Westminster to debate the development and production of low carbon technologies, their role in driving innovation and the work being carried out by the automotive industry to

support UK government's ambition to become a market leader in the low carbon economy. The All-Party Parliamentary Motor Group (APMG) debated the Automotive Council's technology roadmap and the role of the UK in developing ultra-low carbon vehicles with industry representatives. Minister for Business and Enterprise, Mark Prisk, present at the event, described automotive as a sector that was leading in terms of productivity and said the industry represents £20 billion in exports, emphasising the crucial need to progress and help the industry grow. Professor Neville Jackson, Chief Technology and Innovation Officer at Ricardo, Chairman of LowCVP and a member of the Automotive Council's Technology Group, was invited to speak to the APMG and share some of the work being carried out at Ricardo's UK-based technical centres. Professor Jackson said: "We see new innovation and technology as critical components in driving forward the low carbon agenda in the UK. By delivering high quality engineering solutions, highly fuel-efficient technologies and class-leading product innovation, we can position the UK as a more compelling investment proposition for automotive R&D versus other countries." The APMG was re-formed following the May 2010 General Election and is open to members from both Houses of Parliament. It provides a forum to discuss general motoring issues and those relating to the industries of automotive engineering and motorsport. SMMT, the RAC Foundation and the Motorsport Industry Association are the joint-secretariat of the group. (Source: SMMT)



Business, Innovation and Skills Committee publishes assessment of Local Enterprise Partnerships

The House of Commons Business, Innovation and Skills Select Committee has published its initial assessment of Local Enterprise Partnerships (LEPs). Government intends to replace Regional Development Agencies (RDAs) with LEPs in accordance with its policy to rebalance and grow the UK economy. The select committee's report, '*The New Local Enterprise Partnerships; An Initial Assessment*', follows government's announcement in October that £1.4 billion will be made available through a Regional Growth Fund to UK businesses over the next three years to encourage sustainable regional growth and development. The report concludes that for LEPs to be a success, government will have to commit to devolving power where possible, and supporting LEPs in their start-up period through appropriate financial support. The Committee believes that all sides, including business, need to engage to overcome the potential difficulties caused by local politics. Paul Everitt, SMMT Chief Executive said: "Industry welcomes the committee's initial report, but success of the transition from RDAs to LEPs must be judged on how well businesses are supported as growth returns and the economy rebalances. LEPs will need to work hard to ensure they become a key part of our country's business infrastructure to deliver stability and long term growth to our economy." The select committee will revisit the subject when it conducts a further review in a year to 18 months time. (Source: UKParliament/SMMT)

www.publications.parliament.uk/pa/cm201011/cmselect/cmbis/434/434i.pdf

CCC launches fourth carbon budget report

The Committee on Climate Change (CCC), the independent body established to advise government on emissions targets and to report to Parliament on progress made in reducing greenhouse gas emissions, has launched its Fourth Carbon Budget. The CCC has recommended a carbon budget for 2023-27 and a target for emissions reductions in 2030 – halfway between now and 2050. The recommended target for 2030, to cut emissions by 60% relative to 1990 levels, would then require a 62% emissions reduction from

2030 to meet the 2050 target in the Climate Change Act. Lord Adair Turner, Chair of the Committee on Climate Change, highlighted transport and automotive in particular, emphasising the sectors role in reducing emissions in the short-medium term and achieving the long-term targets of 80% reduction by 2050. Transport will be required to make ongoing improvement of convention vehicle efficiency, to 80gCO₂/km for conventional cars and 120gCO₂/km for conventional vans in 2030. The Committee predicts there will be a 60% penetration of electrical vehicles in new sales by 2030, the majority of which are assumed to be plug-in hybrids rather than pure electric. The Committee believes there is a role for hydrogen vehicles in niche sectors (e.g. 50% of new buses in 2030 will be hydrogen). The Committee takes a cautious approach to sustainable bio fuels, with these remaining at levels recommended for 2020 in the Gallagher Review. The Committee has estimated that government financial support of around £800million will be required to fund purchase of electric cars in the period to 2020, with additional costs required for funding investment in battery charging network. (Source: CCC)

downloads.theccc.org.uk/s3.amazonaws.com/4th%20Budget/4thBudgetPressReleaseFINAL.pdf

New Permanent Secretary for Department for Transport

Lin Homer has been announced as the new Permanent Secretary at the Department for Transport. This follows Robert Devereux's move to become Permanent Secretary at the Department for Work and Pensions. The appointment has been approved by the Prime Minister and by the Transport Secretary Philip Hammond. Mrs. Homer will take up the post in January. Philip Hammond said: "I welcome Lin Homer to her new post and I look forward to working with her in addressing the challenges ahead. Robert Devereux has led the Department through the Spending Review and has started the restructuring process that Lin will now complete over the next few months. This will leave the Department well positioned to support economic growth and carbon reduction in a world of reduced public expenditure." (Source: DfT)

nds.coi.gov.uk/clientmicrosite/Content/Detail.aspx?ClientId=202&NewsAreaId=2&ReleaseID=416935&SubId=36



‘Government must be ambitious for UK manufacturing’ – CBI

The UK manufacturing sector should be at the forefront of the country's economic development according to the CBI. The CBI has published its *Vision and Ambitions for UK Manufacturing*, ahead the Government framework for the sector and review of advanced manufacturing. The CBI has set out three key ambitions for the manufacturing sector. The CBI wants the UK to achieve and maintain a target productivity growth rate of 5% a year from 1998 to 2008. Secondly, the UK should demonstrate leadership in all aspects of innovation to compete in and develop new markets, such as low carbon, and to better exploit existing markets, the UK must build on its already world class reputation for research, design and creativity. Thirdly, for the UK to double the growth rate for UK manufactured goods exports to at least match the OECD average by 2020. John Cridland, CBI Director-General Designate, said: "UK manufacturing is in many ways the unsung hero of our economy. Big productivity gains in the past ten years have made it leaner than ever before, and it's now well placed to lead the country's economic recovery. We want the Government to be ambitious: focus its support on the sectors with most export growth potential, and improve the UK's competitiveness as a place to invest." (Source: CBI)

[www.cbi.org.uk/ndbs/press.nsf/0363c1f07c6ca12a8025671c00381cc7/853c1f9db64124d0802577ee003f3a25/\\$FILE/CBI%20Manufacturing%20Vision%20&%20Ambitions%20Dec2010.pdf](http://www.cbi.org.uk/ndbs/press.nsf/0363c1f07c6ca12a8025671c00381cc7/853c1f9db64124d0802577ee003f3a25/$FILE/CBI%20Manufacturing%20Vision%20&%20Ambitions%20Dec2010.pdf)

Week ahead

House of Commons

Thursday 16 December

10.30am: Energy and climate change questions (topical questions at 11.15am).

Commons Committees

Tuesday 14 December

Transport

10.15am: Transport and the economy

Witness: Rt Hon Theresa Villiers MP, Minister of State, Department for Transport

Wednesday 15 December

Science and Technology

10.15am: Technology Innovation Centres

Witness(es): Dr David Bembo, Member of Council, Association for University of Council, Association for University Research and Industry Links, Dr Tim Bradshaw, Head of Enterprise & Innovation, Confederation of British Industry, Professor Ric Parker FEng, Director of Research & Technology, Rolls-Royce Group, and Patrick Reeve, Chair of the BVCA Venture Capital Public Policy Committee, British Private Equity and Venture Capital Association
Location: The Thatcher Room, Portcullis House

Westminster Hall

Wednesday 15 December

4.00pm – 4.30pm: Government support for small manufacturing businesses (Siobhain McDonagh, Lab, Mitcham and Morden).

House of Lords

No relevant activity