

WEEK IN WESTMINSTER

Week ending Friday 11 July

Government announces series of growth deals

Government has announced the first instalment of plans to invest at least £12billion in local economies in a series of 'Growth Deals'. The money will go towards providing support for local businesses to train young people, creating new jobs, starting infrastructure projects – including transport improvements and superfast broadband networks – and building new homes. The first £6.6billion of local projects has been agreed, including the complete allocation of £2billion from the Local Growth Fund for 2015 to 2016.

Discussions with local enterprise partnerships will also continue, to prepare for future negotiations on the next round of Growth Deals. Some of the projects that will be built as a result of these deals include:

- Support and advice for small and medium sized businesses, so that they can grow and create hundreds of thousands of jobs across the country.
- Funding for a new engineering training facility at the MIRA technology park. The centre will equip people with the skills to work in advanced transport engineering.
- Support for a £1million project to create the Silverstone Metrology Centre, a high precision measurement facility for small and medium sized enterprises working in high performance technology industries such as motorsports, enabling them to develop new products.

(Source: BIS)

<https://www.gov.uk/government/news/growth-deals-firing-up-local-economies>



Figures show drop in confidence for UK manufacturers

The latest report on business trends by BDO LLP shows that optimism among UK manufacturers dipped in June for the first time in 14 months, due to challenging operating conditions which threaten to slow confidence growth in the sector. The BDO Optimism Sub-Index for the manufacturing sector, which predicts growth expectations in six months' time, declined from 121.0 in May to 119.5 in June. Although it remains above the 100 mark that indicated the long-term growth trend, the dip suggests that manufacturers are taking a more considered approach to potential challenges such as operating costs. The BDO Employment Index notes another potential headwind for manufacturers, as hiring intentions reached their highest level since the onset of the financial crisis in June, rising from 107.7 in May to 108.8. As business bolsters workforces, demand for skilled workers will increase and could drive wage increases for skilled manufacturing workers, which could act as another drag on UK manufacturing firms. (Source: BDO)

<http://www.bdo.co.uk/press/uk-manufacturing-confidence-falters-as-operating-conditions-threaten-growth2>

Manufacturing and production figures for May published

Manufacturing and production figures for May 2014 have been published by the Office for National Statistics. Production output increased by 2.3% between May 2013 and May 2014, with the manufacturing being the largest contributor, increasing by 3.7%. Total production between April 2014 and May 2014, however, decreased by 0.7%, with manufacturing the largest contributor with a decline of 1.3%. In the three months to May 2014, production and manufacturing were down 11.3% and 7.2% respectively from the figures reached in the pre-downturn GDP peak in Q1 2008. Commenting on the figures, David Kern, Chief Economist at the British Chambers of Commerce (BBC) said, "Despite the

progress made over the past year, manufacturing output is still more than 7% below pre recession levels – in contrast to services which are more than 2% higher.”

(Source: ONS)

<http://www.ons.gov.uk/ons/rel/iop/index-of-production/may-2014/stb-iop-may-2014.html>

£1million air quality fund announced

Local authorities across England will benefit from a £1million government grant to improve air quality as part of the Air Quality Grand Programme for 2014/2015. The Programme will focus on supporting projects set up to tackle nitrogen dioxide levels and mitigate emissions from road transport. It is hoped that this grant will help to raise awareness of the ongoing work between UK government, local authorities and the European Commission to further improve air quality. This year's grant announcement comes as government publishes the latest air quality projections across 43 zones in the UK for meeting European limits for nitrogen dioxide (NO₂). Environment Minister Dan Rogerson said “Air quality has improved significantly in recent decades and local authorities play a vital role – this funding will allow them to continue their good work.” Government is currently updating its air quality plans and it will continue to work with the European Commission and local authorities to further improve air quality.

(Source: DEFRA)

<https://www.gov.uk/government/news/1-million-boost-for-local-air-quality-projects>

Investment for new research facilities announced

Three new university and business partnerships are receiving a total of £50million of public investment in research projects to drive innovation and growth. The projects will promote advanced propulsion for the automotive industry, aerospace integration and the development of research into immunology and infectious diseases. The three projects will receive a total of £49.5million in public support, and together are attracting £133.7million of additional private investment, increasing total investment to £183million. This is the first set of projects to be announced from the third round of the UK Research Partnership Investment Fund (UKRPIF), which so far has seen universities receive £350million in public funding, and securing at least double that amount of investment from business or charities, delivering more than

£1.3billion of new funding for research. The Advanced Propulsion Research Library (APRL) has received a UKRPIF award of £14.5million, along with co-funding of £51million, to lead research addressing the arising challenges facing the industry, such as movement to low-carbon technology, rising energy costs and strict emission limits, in an effort to transform the research and innovation landscape and position the UK as a leading innovator in propulsion systems.

(Source: HEFCE)

<http://www.hefce.ac.uk/news/newsarchive/2014/news87690.html>

Increase in the number of young people choosing apprenticeships

New figures from local authorities reveal the number of school leavers embarking on apprenticeships has risen by more than 15% in the last year. Statistics show that apprenticeships, which now offer real jobs and training to develop the practical skills and experience that businesses want, are becoming increasingly more popular with 16 and 17 year-olds. The figures in March 2014 compared to March last year show that:

- More than 15% more 16 and 17 year-olds are in apprenticeships – up from 41,738 last year to 49,228 this year.
- 27,832 more 16 and 17 year olds are participating in education or training – an increase from 1,030,698 last year to 1,058,521 this year.
- 8 out of 9 regions in England reported higher rates of young people in education or training compared to 2013.

(Source: DfE)

<https://www.gov.uk/government/news/thousands-more-school-leavers-choosing-apprenticeships>

Week ahead

Houses of Parliament

Tuesday 15 July

11:30am: House of Commons ten minute rule motion: Tyres (buses and coaches) Bill – Steve Rotheram MP

Wednesday 16 July

2:15pm: Treasury Committee: SME lending

Thursday 17 July

11am: Environmental Audit Committee: Action on air quality