

WEEK IN WESTMINSTER

Week ending Friday 21 August

SMMT – UK car output and engine production slow in July

Following its best semester since 2008, the UK car manufacturing industry experienced a slower July, according to new figures from the Society of Motor Manufacturers and Traders (SMMT). Production in the month fell 11.8% against July 2014, as changes to holiday patterns meant the traditional annual shutdown started earlier at some plants. July's performance reflects the normal cyclical falls in output during the summer months, when seasonal shutdown programmes occur across the majority of manufacturers, providing an essential period for plant maintenance, upgrades and retooling.

The seasonal holiday and upgrade closures have also lead to the UK engine output fall 10.2%. The year-to-date performance however remains steady at 1,449,726 units produced, down 4.2% on 2014. (Source: [SMMT](#))

SMMT – Surge in UK demand drives strong CV production growth in July

Britain's commercial vehicle (CV) manufacturing industry continued its strong recovery in July, with production volumes up 46.3% over the same month last year. A total of 9,274 CVs were built in the month, with output for the UK market posting an especially strong gain of 137.6%. July's figures are a continuation of the recovery made by the sector throughout 2015, which has seen production levels grow by a third to 57,967 units. Volumes last year were impacted by some restructuring within the industry, as well as a spike in truck demand in 2013 related to type approval changes. This year's growth comes off the back of increasing demand both domestically and abroad for UK-built CVs.

(Source: [SMMT](#))

Apprenticeship Levy Consultation

Prime Minister David Cameron has outlined plans to increase the number of quality apprenticeships. In a [consultation](#), which was published on 21 August and will close on 2 October, employers are asked for their views on the introduction of an apprenticeship levy – set to be introduced in 2017. Government seeks views on:

- how to pay the levy
- how the levy should work for employers who operate across the whole of the UK
- how to make sure that employers paying the levy have the opportunity to get more out than they put in
- how best to give employers control of apprenticeships

Other steps outlined today, which form part of the government's pledge to support 3 million apprenticeships by 2020, include a requirement to take a company's apprenticeship offer into account when awarding large government contracts and publishing new 'industry standards' so that apprentices have the skills that companies need. Furthermore, major changes to government procurement were also announced. From 1 September 2015, all bids for government contracts worth more than £10 million must demonstrate a clear commitment to apprenticeships. In particular, employers' bids will be reviewed in line with best practice for the number of apprentices that they expect to support. (Source: [Prime Minister's Office](#))



£2.5m electric car boost in Scotland

A new £2.5m fund will give Scottish motorists access to an interest-free loan of up to £50,000 for electric or plug-in hybrid vehicles. The Electric Vehicle Loan is open to anyone looking to buy a new electric or plug-in car or van, and is offered in addition to the UK Government's Plug-In Vehicle Grant. Now open for applications, the loan from the Energy Saving Trust, funded by the Scottish Government agency Transport for Scotland, can cover 100% of the purchase price and can be repaid over a period of up to six years. In addition to the Electric Vehicle Loan, full grant funding is currently available through the ChargePlace Scotland programme for electric car drivers to install a charge point in their home. Businesses can also apply for an interest-free loan, of up to £100,000 for electric vehicles. All applications to the fund close on 31 March 2016. (Source: [Energy Saving Trust](#))

UK inflation rate rises to 0.1%

The UK's inflation rate turned positive in July, with the Consumer Prices Index measure rising to 0.1% from June's 0%. A smaller price of clothing was the main reason for the rise, the Office of National Statistics (ONS) said. The Retail Prices Index measure of inflation was unchanged at 1%. CPU has been almost flat for the past six months, having turned negative in April for the first time since 1960. The ONS said falling food and non-alcoholic drink prices partially offset the positive impact of the smaller rise in clothes prices. The underlying measure of CPI inflation rose to 1.2% in July, a five-month high. Analysts say the inflation rate could fall back again, partly due to the drop in the price of oil. (Source: [BBC](#))



Week ahead

The House of Commons and House of Lords are on summer recess until 7 September