

MONTHLY MONITOR



April 2018

SUMMARY

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National Apprenticeship Week 2018:

- National Apprenticeship Week 2018 (NAW2018) took place from 5–9 March 2018 and was an opportunity to celebrate apprenticeships and how they benefit people, businesses, communities and the UK economy. Now in its 11th year, this week sought to encourage more people to choose apprenticeships as a fast-track to a great career and to business growth. The theme of National Apprenticeship Week 2018 was *Apprenticeships Work* to showcase how apprenticeships work for individuals, employers, local communities and the wider economy.
- APM released a [parents' guide to apprenticeships](#) in advance of NAW2018 in addition to an updated [guide for employers](#). The guides were warmly received – with the minister for apprenticeships and skills Anne Milton congratulating us on the publications.



Creative industries sector deal:

- Britain's world-leading creative industries are set to consolidate the UK's position as a global creative powerhouse, following a new industrial strategy sector deal between government and the Creative Industries Council (CIC) on behalf of the sector.
- As part of a creative industries sector deal, announced by the digital and culture secretary Matt Hancock, business secretary Greg Clark, and co-chair of the CIC, Nicola Mendelsohn, more than £150 million will be jointly invested by government and industry to help cultural and creative businesses across Britain thrive.
- The sector deal aims to double Britain's share of the global creative immersive content market by 2025, which is expected to be worth over £30 billion by 2025. Government is investing over £33 million in immersive technologies such as virtual reality video games, interactive art shows, and augmented reality experiences in tourism.
- The commitments contained in the sector deal include:
 - £72 million from the Industrial Strategy Challenge Fund (ISCF) with £39 million for the Arts and Humanities Research Council to support eight creative research and development partnerships across Britain;
 - £33 million to invest in immersive technology products, services and experiences to support new uses of virtual reality in areas like video games, interactive art shows and augmented reality experiences in tourism;
 - £2 million to extend the Get it Right campaign to tackle online piracy and educate consumers on the value of copyright and direct them to legitimate websites;
 - improved access to finance from the British Business Bank for high-growth creative businesses outside of London, with up to £4 million to be invested in a new programme of investment readiness support for creative businesses;
 - a new creative industries trade and investment board, comprising industry and government, to replace the current sector advisory group with the ambition of increasing creative industry exports by 50 per cent by 2023 and boosting the number of creative businesses exporting.

Anniversary of the digital strategy:

- On the first anniversary of its [digital strategy](#), the government highlighted its progress to date on its commitment to future-proof the economy through the digital strategy. Key achievements include:
 - delivery of more than 2.5 million free digital skills training opportunities with industry as part of the digital skills partnership, with almost half a million new pledges made;
 - meeting its [target](#) for 95 per cent of premises to have access to superfast broadband by the end of 2017;
 - committing £75 million investment to take forward key recommendations in the [independent review of AI](#) (including a new centre for data ethics and innovation)
 - The creation of new AI fellowships and funding for 450 PhD researchers to secure the UK's position in the global AI market;
 - [£21m of investment](#) in *Tech Nation* to establish regional hubs throughout the country, widening access to tech city's training, mentoring and development programmes;
 - £84m to boost the skills of 8,000 computer science teachers to make sure every secondary school has a qualified computer science teacher by 2022;
 - announcement of a plan to unlock over £20 billion of patient capital investment in innovative firms by doubling the annual allowance of the enterprise investment scheme and the venture capital trust scheme;
 - introduction of the [5G strategy](#) to deliver high-quality coverage where people live, work and travel. This includes setting out actions to ensure that mainline rail routes, major roads and connectivity hotspots are 5G-ready.

Reports and publications – government/professional bodies/think-tanks/other:

- With **one year** until the UK's exit from the European Union on 29 March 2019, the prime minister embarked upon a [tour of the four nations of the UK](#). The **Institute for Government** held a [panel discussion](#) [click [here](#) to watch the video of the panel discussion] where panellists discussed such questions as:
 - How will business react to the outcome of the March council?
 - Is Whitehall ready for phase two?
 - How will the latest developments be perceived in Brussels?
- The **Department for Exiting the European Union** has published a [draft withdrawal agreement](#) marking progress by the negotiators of the European Union and the United Kingdom of Great Britain and Northern Ireland. The draft withdrawal agreement of 19 March 2018 includes agreed legal text for the implementation period, citizens'

rights, and the financial settlement, as well as a significant number of other articles. The UK and the EU negotiating teams aim to finalise the entire withdrawal agreement by October.

- The chancellor this month delivered his *spring statement* in the House of Commons. For a summary of key announcements, see [here](#). The **Office for Budget Responsibility's (OBR)** forecast can be viewed [here](#).
- The **Department for Transport** published a [written ministerial statement](#) providing an update on HS2.
- Sir John Armit, [National Infrastructure Commission](#) chair responded to the [prime minister's announcement](#) of new national planning rules to boost homebuilding by stating that the UK must learn from mistakes of the past and create sustainable, well-designed communities where people want to live and work, and that support business growth. "Well-designed infrastructure" he said, "and particularly local transport, can play a crucial role in addressing some of the most serious constraints on housing and ensuring that new houses become homes – built in the right place and supporting the long-term needs of local people and businesses. Our [report](#) on the Cambridge – Milton Keynes – Oxford Arc offers a valuable blueprint for how to do this."
- Earlier this month, on the first anniversary of the [Midlands engine strategy](#), the **Department of Housing, Communities and Local Government** announced the Midlands winners of a £25 million competition to pave the way for a future rollout of 5G technology in the UK. The new project, the Worcestershire 5G Consortium, is receiving £4.8 million of government funding. In addition, a further two of the project consortiums, receiving a total of over £6 million, also include partners based in the Midlands engine.

Over the last 12 months the Midlands engine has delivered a number of initiatives, including:

- a £250 million boost for small and medium businesses across the Midlands through the Midlands engine investment fund;
- a second devolution deal for the West Midlands combined authority, including £250 million from the *transforming cities fund* to improve transport links;
- nine international Midlands engine trade missions, to build links with markets such as the USA, China, and the UAE;
- opening of the National College for High Speed Rail in Birmingham to generate the workforce of the future;
- £80 million awarded to build the UK's first ever state-of-the-art automotive battery development facility in Coventry and Warwickshire;
- government funding announced to boost autonomous vehicle development across the Midlands, including projects from Horiba MIRA in Leicestershire and Jaguar Land Rover;
- an injection of £105.4 million infrastructure investment to help unlock around 22,000 potential new homes;

- launch of a refreshed investment portfolio of over 20 projects worth over £10 billion.
- The **Institute for Government (IfG)** published its report [Costing Brexit: what is Whitehall spending on exiting the EU?](#) showing that Brexit preparations have cost around £400m in 2017/18.
- As part of the **industrial strategy**, government is investing over £300 million from its *industrial strategy challenge fund* (ISCF) to bring together the UK's world-class research expertise with business investment to develop technologies and industries that can help the UK prepare for the challenge of an ageing society. Through its [ageing society grand challenge](#) the government has committed to invest in harnessing the power of innovation to help meet the diverse needs of an ageing society. The announcement by the secretary of state for business, energy and industrial strategy, Greg Clark MP, will see government invest over £300 million to ensure the UK is able to meet these demands, with £98 million for a healthy ageing programme and £210 million for a *data to early diagnosis and precision medicine programme* to improve diagnosis of disease and develop new medical treatments and technologies.
- Tony Meggs, chief executive of the **Infrastructure and Projects Authority**, delivered a [speech](#) highlighting internal transformation within the IPA and across government to make sure it is equipped to meet current and forthcoming challenges. This transformation includes:
 - taking a stronger portfolio view so that the IPA can help prioritise and support EU exit;
 - going more upstream in both project life cycle and leadership;
 - protecting the integrity of IPA's world class assurance regime – the foundation upon which it was built.
- The government this month announced an investment of £24 million to support four Rolls-Royce led R&D projects that will develop the next generation of aircraft engines. The projects set to receive funding are:
 - **PACE** (Proving Advanced Concept Engine);
 - **CAJoRR** (Cutting edge Approaches for Joining of RR1073);
 - **ENCASE** (Enabling Novel Controls & Advanced Sensors for Engines);
 - **EXCITE** (External Component Integration of Technologies for Engines).
- Parliamentary under secretary of state at the **Department for International Trade**, Graham Stuart MP, gave a [speech](#) at the *2018 Infrastructure Investor Global Summit*, outlining UK infrastructure developments to leading investors.
- The **migration advisory committee** has published its [interim update](#) on *EEA workers in the UK labour market* summarising the responses from employers to a call for evidence. The update attempts to bring order to the disparate range of views received, but front and centre is the recognition of the role that digital skills and talent play in the growth of the UK economy as a whole.
- The *space industry bill* received royal assent this month, becoming the [Space Industry Act 2018](#). The Act aims to facilitate the UK to be at the forefront of the commercial space age. With one in four of all telecoms satellites substantially built in Britain and UK businesses at the forefront of *hypersonic flight technology*, through its industrial strategy, the government is working with the industry to increase its global share of the space sector from 6.5 per cent to 10 per cent by 2030.
- The most recent *apprenticeship starts* statistics have been [published](#). The data showing that there were **194,100** apprenticeship starts reported in England for the first two quarters of the 2017/18 academic year, compared to **258,800** reported at this time in 2016/17 – a decrease of 25 per cent. Neil Carberry, CBI managing director, responded to the figures: "This worrying data should be the final wake-up call for the government that the apprenticeship levy is not working as intended. Businesses all agree the levy could be a vital part of the skills system, but its current form does not encourage more investment in high-quality training. There is still time to get the levy right, but this needs action now. Ministers should immediately loosen the rules on what happens to the levy cash itself – next month's 10 per cent transfer rule simply isn't enough. Companies should be able to draw down far more from the levy pot – up to 50 per cent. This will help firms to work with others to create centres of excellence for apprenticeship training and improve access to apprenticeships for smaller firms."
- The House of Commons **women and equalities committee** published its [report](#) on fathers and the workplace.
- The House of Commons **business, energy and industrial strategy committee** published its [report](#) on Brexit and the aerospace sector.
- The House of Commons **home affairs committee** published its [report](#) on the Home Office delivery of Brexit (regarding policing and security).
- The House of Commons **public accounts committee** published its [report](#) on government contracts and community rehabilitation companies.
- The House of Commons **health and social care committee** published its [report](#) on patient safety and Brexit negotiations.
- The House of Commons **science and technology committee** published its [report](#) on an early deal with the EU on science and research.
- The House of Commons **Northern Ireland affairs committee** published its [report](#) on Brexit and the UK–Ireland border.
- Skills and apprenticeships minister Anne Milton gave a speech at the **Association of Colleges governance summit** where she highlighted the challenge for UK skills as the UK prepares to leave the EU. The minister re-emphasised that she wants vocational and technical education to be "as highly regarded as academic education – if not higher." Acknowledging that money is tight – particularly in the FE sector – Ms Milton said that she wants "to ensure that FE providers have the right resources to deliver the reforms needed and the reforms that the government wants to see."

- The skills minister also issued a call this month to industry experts from agriculture, environmental and animal care; business and administration; hair and beauty; creative and design; and catering and hospitality to join the influential T-level employer panels and help *develop the outline content* for new qualifications. [Read APM's T-levels briefing [here](#).]
- On 14 December the **treasury committee** published its fourth report of session 2017–19: [Transitional arrangements for exiting the European Union](#). The government's response has now been [published](#).
- The House of Commons **international trade committee** published its report on international trade post-Brexit: [Continuing application of EU trade agreements after Brexit](#).
- Michael Gove, secretary of state for *environment, food, and rural affairs* has launched a [consultation](#) on a new system of paying farmers "public money for public goods." Farmers, landowners and food producers have a "once-in-a-generation opportunity" to shape the future of English farming and the environment through this consultation which will close on 8 May 2018.
- Transport secretary Chris Grayling [announced](#) early in March that he expects a £3 billion programme of upgrades to the trans-Pennine route to begin from spring 2019, as an *independent affordability review* is established to ensure the affordability of Crossrail 2.
- The independent panel supporting the government's *review of post-18 education and funding* invites interested individuals and organisations to submit evidence to inform its work. All interested parties are encouraged to [submit evidence](#) for the panel's consideration – although responses are particularly welcome from education and training providers, academics, employers, students, learners, graduates, student representative groups, professional representative groups and learned societies as well as from the public. **Consultation closes on 2 May 2018.**
- Aviation minister Baroness Sugg this month gave a speech to industry representatives asserting that the government will help the aviation sector be more competitive, prosperous and sustainable. In a wide-ranging speech, Baroness Sugg noted that the UK aviation sector is the third largest market in the world.
- The first industry-led **retail sector council** has officially been launched by retail minister Andrew Griffiths MP and Richard Pennycook, chairman of Fenwick, The Hut Group and Howden Joinery Group. The [council](#) will meet regularly with industry to discuss the challenges that the sector faces and will review how retailers could best adapt to changing consumer behaviour, the business environment and opportunities such as the development of new technologies to improve customer service, the chance to grow skills through a sector push on high-value training, and ways to boost sector productivity and its economic health.
- The **National Audit Office** published a [report](#) on the BBC's commercial activities. The report is a landscape review of the BBC's commercial activities, setting out how the BBC organises these activities and the key risks and challenges they currently face.
- **Ofgem** introduced RIIO (Revenues = Incentives + Innovation + Outputs) for the gas distribution and gas and electricity transmission price controls in 2013. These are due to finish in 2021. Ofgem is now [consulting](#) therefore on the framework for the *next* price control (RIIO-2). The consultation closes on 2 May 2018 and a decision will be made in summer 2018.
- The **UK offshore wind industry** has committed to work with the UK government on a transformative *sector deal*, which by 2030 could deliver thousands of additional skilled jobs in coastal areas, and billions of pounds worth of export opportunities. The industry's vision for 2030 includes:
 - £48 billion investment in UK infrastructure;
 - a five-fold increase in export value, to £2.6 billion a year;
 - 27,000 skilled jobs across the UK (up from 11,000 today) mainly in coastal areas;
 - £2.4 billion a year reduction in total electricity system costs, reducing costs to consumers.
- The **Institute for Public Policy Research (IPPR)** published a report entitled [Tapering over the tax: reforming taxation of income in the UK](#) proposing a major reform of the current system. Under this reform, all rates and allowances within income tax and employee national insurance contributions would be combined into a single tax 'schedule', with all sources of income taxed at the same rate, and on the same basis. Additionally, the existing system of marginal tax bands would be replaced by a 'formula-based' system such that every taxpayer's marginal rate would depend on their own precise level of income. Such a system, IPPR argues, would be more efficient and progressive, and in addition could be used to raise revenues in a way that is fairer and more politically acceptable than the current system.
- **MillionPlus**, the *Association for Modern Universities*, published a policy briefing [Forgotten learners: building a system that works for mature students](#).
- The **Higher Education Policy Institute (HEPI)** published a [report](#) on future demand for higher education.
- The **Sutton Trust** published its report [The lost part-timers: the decline of part-time undergraduate higher education in England](#).
- **Localis** published its [report](#) on further education colleges collaborating to succeed and upskill the nation's workforce.
- **Localis** also published its report [The delivery of an industrial strategy: raising prosperity across England](#) making the point that local enterprise partnerships (LEPs), local business communities, and other civic institutions such as universities – must take the industrial strategy forward in their area. The report provides some ideas for how strategic authorities and LEPs can lead and deliver this objective.
- The **Aldersgate Group** published a [report](#) on *green infrastructure investment*.

- The **London Assembly planning committee** published its [report](#) on sprinklers in apartment buildings *Never again: sprinklers as the next step towards safer homes*.
- The **London Assembly transport committee** published a [report](#) on cycling infrastructure.
- The **King's Fund** and the **Nuffield Trust** published a [joint report](#) on *Public satisfaction with the NHS and social care in 2017*.
- The **Institute for Fiscal Studies (IFS)** published a [briefing note](#) on the customs union, tariff reductions and consumer prices.
- Rail leaders have together launched a plan entitled [In partnership for Britain's prosperity](#) setting out their long-term plan for the region's railway, which will secure £9.45 billion of additional economic benefits for communities along the Great Western main line. In the plan, the partnership railway of public and private sector companies outlines their commitments to improving services for customers, better connecting communities and providing employees with rewarding careers, as well as boosting the region's economy.
- The **London Assembly economy committee** published a report [Rewrite the night: the future of London's night-time economy](#)
- The **Nuclear Industry Association (NIA)** welcomed the [government response](#) to the BEIS select committee report into the impact of Brexit on the civil nuclear sector.
- The **London Assembly planning committee** this month submitted its response to the mayor's consultation on his new [draft London plan](#). The plan takes into account the following:
 - London's population is projected to increase by 70,000 every year, reaching 10.5 million in 2041;
 - this growth will generate the need for 66,000 new homes to be built every year and will also create 49,000 jobs annually.
- The **Office for National Statistics (ONS)** published data this month on industrial production and the trade balance showing that industrial output in the UK expanded 1.6 per cent year-on-year in January 2018 (up from 0.0 per cent in December 2017). Mining and quarrying (extractives) provided the largest upward contribution to production growth – rising by 4.1 per cent annually. Manufacturing production also expanded by 2.7 per cent in the 12 months to January with month-on-month manufacturing growth positive for the ninth consecutive month (the longest period of monthly expansions since records began in 1968).
- **Innovate UK**, on behalf of **UK Research and Innovation**, is inviting proposals on the potential future challenges to get support through the [industrial strategy challenge fund](#). The aim of this call is to identify the third wave of industry-led challenges in the industrial strategy challenge fund.
- With this year designated the [Year of Engineering](#), and to mark the start of [National Apprenticeship Week 2018](#), **EEF** – the manufacturers' organisation – published the following facts about manufacturing and engineering apprenticeships and why they are so important for the sector. These included the following:
 - 72 per cent of manufacturers say raising awareness of apprenticeships will get more young people into engineering;
 - in 2016/17 there were 74,010 manufacturing and engineering apprenticeship starts, representing 15 per cent of all apprenticeship starts for the year;
 - only seven per cent of students at state-funded mainstream schools and colleges went on to an apprenticeship after key stage 5 compared to 51 per cent that went on to a UK higher education institution;
 - just seven per cent of engineering apprenticeships achieved last year were undertaken by women;
 - three-quarters of manufacturers say all their apprentices stay with the company upon completion of their apprenticeship;
 - the average hourly pay rate for engineering apprentices is currently £6.44, almost double the minimum rate;
 - a third of manufacturers currently support employees to undertake higher apprenticeships and a quarter (24 per cent) currently don't but *would like to*.

Reports, publications, and activity from the world of project management:

- IPMA held their first [smart cities symposium](#) in Berlin on 22 March.
- **Call for papers** for [the 6th IPMA research conference](#) to be held in Rio, Brazil in September 2018.
- **MPA event** on [Unlocking high performing potential in major projects](#) on 19 April.

APM events/research and policy outputs:

- To mark **National Apprenticeships Week 2018** APM launched two guides:
 - [Apprenticeships: a parents' guide](#)
 - [Apprenticeships: an employers' guide](#)
- On the 10 April APM ran its first [APM North West research symposium](#) – a joint event between the APM North West Branch, Liverpool Business School, and APM Research which aims to bring together academics, researchers and practitioners to share and discuss the latest research.
- Two [APM research summaries](#) were published in this period including *Managing change in the delivery of complex projects* and *Project and portfolio management in practice and in context*.
- APM supported the recent Institute of Leadership & Management research report on [Leadership redeployed](#)

APM forthcoming:

- APM will publish their latest APM research fund report on *Systems thinking* led by UCL in mid-April.
- APM will launch the *2018 Salary and Market trends* report in mid-April.
- [APM annual conference 2018](#) will be held on the 25 April 2018.
- APM is sponsoring a collaborative research project with the **Institute for Government (IfG)** to explore how government can make better infrastructure decisions focusing on the role of the minister in the process. The first part of the project will be a [high-profile panel breakfast debate](#) on 24 April 2018. The link to the livestream is accessible [here](#)