REPORT TO: Employment Learning and Skills and

Community Policy and Performance Board

DATE: 11th January 2012

REPORTING OFFICER: Strategic Director Children and Enterprise

PORTFOLIO: Economic Development

SUBJECT: Inward Investment and Business Development

Progress Report

WARDS: Borough Wide

1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is to provide a progress report on the work of the Business Development Team (BDT) within the Economy, Enterprise and Property Department. The primary aim of the team is to encourage investment into the Borough and to support companies already based in the Borough to expand and grow. The report also provides information on the positive measures the team is taking to support Halton's businesses during the economic down turn. The report advises on recent announcements regarding 'employer facing' initiatives and sets out proposals for how the team will respond to these announcements.

2.0 RECOMMENDATION: That

- (1) The Board notes the work of the BDT
- (2) Acknowledges that a response to recent announcements will need to be built into departmental work priorities.

3.0 SUPPORTING INFORMATION

3.1 The core activities of the BDT

The core activities of the BDT are :-

- The management of all indigenous company expansion projects and inward investment projects which are specific to the Borough of Halton
- The management of the Council's relationships with external providers of business support services, for example UKTI, TMP, Halton Chamber of Commerce and Enterprise and private sector business support professionals (commercial property agents, developers, intermediaries etc) to ensure that the business community in Halton has access to comprehensive, flexible and relevant business support. Increasingly the BDT will work with a growing number of private sector organisations who have successfully tendered for business support contracts from central government,
- The maintenance of a comprehensive data base of all land and commercial property currently available in the Borough and the delivery of a free commercial property finding service to both inward investing companies and indigenous businesses wishing to grow and expand.
- The maintenance of a comprehensive database of all businesses in Halton and the dissemination of information concerning business support initiatives to the business community

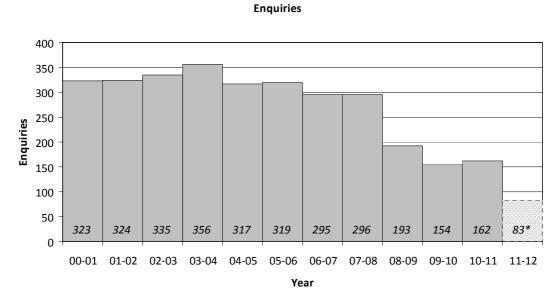
- The delivery of the Business Improvement District (BID) Programme at Astmoor and Halebank Industrial Estates and support of the Widnes Waterfront Business Group (non-BID)
- Promotion of the Visitor Economy in Halton

Historically, the Team was responsible for the management of the Borough's portfolio of large (over 250 employees) and foreign owned companies in partnership with The Mersey Partnership (TMP). However, in June 2011 TMP changed the nature of the programme from a geographical to a sectoral basis. As a consequence Halton lost a dedicated 'Business Aftercare Manager'. Funding for the 'Investor Development Programme' will cease completely in December 2011.

3.2 Global context

The impact of the global recession, continuing uncertainty in the Euro Zone and current government policies to reduce the ratio of net debt as a percentage of GDP has had a profound effect upon the number of investment enquiries received and managed to completion by the BDT.

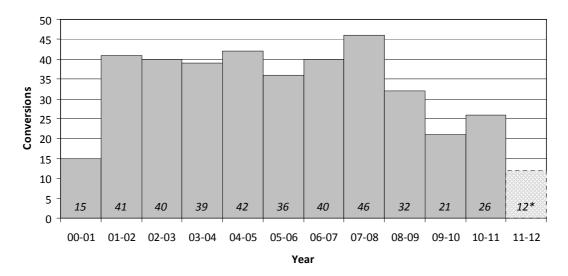
Between 2000 until 2008 the BDT managed an average of 320 investment enquiries each year. Since the onset of the global recession in 2008 investment enquiries have fallen to approximately 160 enquires per year



* April 2011 - November 2012

The number of conversions, that is the numbers of enquiries translated into actual investment projects, in the same period reflects the decline in investment enquiries.

Conversions



* April 2011 - November 2012

3.3 Activities to generate more enquiries

The BDT has undertaken a number of activities to both increase investment enquiries and to maximise the benefit from enquiries received.

Marketing

The BDT has undertaken three specific marketing campaigns targeting different sectors of the business community

Runcorn Station Gateway Campaign

A marketing campaign will commence in January 2012 at Runcorn Mainline Station, in partnership with Virgin Trains, targeting business travellers.

The campaign will include :-

- Three large, commercial, poster sites on the platform opposite the concourse
- A brochure and leaflet racks located at the work stations within the First Class Business Lounge
- Poster sites in the lifts within the new multi-story car park
- Banner sites around the perimeter of the station
- A large banner site on the curtain wall of the bridge opposite the station concourse

Intermediaries Campaign

A dedicated campaign is currently ongoing specifically targeting intermediaries (commercial property agents, accountants, business and legal advisors etc) through the property and professional press to drive more traffic to the online commercial property search facility at www.runcorn-widnes.com. The campaign has utilised the Northwest Insider Property Supplement. Newsco online business news feeds, the Northwest Property Guides and Move Commercial

Facilities for Business Start Up Campaign

A campaign is currently being developed with colleagues from the Property Services Team and Enterprise Team designed to satisfy the property needs of recent start up and micro-businesses. A new area has been created within the site www.runcorn-widness.com which brings together details of all commercial properties currently available within the Borough which would be suitable for micro-businesses. That resource will be directly marketed to the Borough's portfolio of recent start up businesses and to the general business community through a local media campaign. The local media campaign will feature, not only available property, but also the support available to potential start up businesses through the Enterprise Team.

To support the promotion of Council owned units a pdf brochure has been created for every Council owned estate and individual units which have particular marketable characteristics.

The BDT also meets on a monthly basis with colleagues from the Property Services Team to share intelligence regarding property enquiries and to agree how best to manage individual enquires. The group have also developed more intensive and innovative strategies to encourage lettings of facilities that have either been vacant for a long period of time or are, for whatever reason, difficult to let. For example, Seymour Court in Runcorn is being actively promoted through science networks as a suitable facility for bio-medical companies.

- Better management of databases\enquiries

In order to maximise the value of individual enquires the BDT have initiated a weekly review of all web based commercial property enquiries. This involves the production of a weekly report and a proactive follow up to ensure that, if the web search hasn't generated any suitable commercial property matches, the individual company is aware of all alternative opportunities. The follow up will also seek to ascertain any other business support issues which the Council and partners can satisfy.

On a day to day basis, the BDT continue to respond to all commercial property enquiries within twenty four hours and a review of all thirteen employment areas in Halton is underway to ensure that the property database captures all available commercial space in the Borough.

The maintenance of a comprehensive database of local businesses continues to underpin the work of both the BDT and other departments of the Council. For example, the Mersey Gateway Team utilise both the company and property databases to manage the relocation of companies affected by the construction of the new bridge

3.4 Activities to Support Companies

It is current government policy to migrate business support from the public to the private sectors. As a consequence a number of business support agencies, who traditional played a role in the Borough of Halton, have either ceased to exist or curtailed their activities, for example the Business Link, North West Development Agency and a number of cluster agencies and Sector Skills Councils.

Similarly, government have invited private sector organisations to deliver certain elements of business support at a national level, for example the awarding of elements of UK Trade & Invest inward investment promotion and management to PA Consulting and the immanent award of the Growth for Business (formerly the High Growth Programme) to the private sector.

As a consequence the provision of business support to companies in Halton has diminished particularly companies who are no longer eligible for start up support or fail to satisfy the criteria for support under the Growth for Business Programme.

The Council has neither the financial resources nor the necessary skill sets to provide a comprehensive support service to the local business community. The BDT, therefore, focuses its limited resources upon the provision of business critical information to local companies and closer collaborative working with partners agencies in both the public and private sectors.

Recent initiatives include :-

- The continual review, evaluation and improvement of the inward investment web site www.runcorn-widnes.com to ensure the content is relevant to the needs of business.
- Increasing use of new media to communicate with the business community, for example RSS newsfeeds, the use of social media, specifically Twitter, (http://twitter.com/runcornwidnes) and the production of a monthly e.shot to business
- The production of Halton Business Support Guide, a simple and straightforward guide to the range and type of business support currently available in the Borough of Halton. The guide provides information and up to date contact details about a range of business support initiatives including funding, innovation, resource efficiency, recruitment, training, starting your own business etc. The guide www.halton.gov.uk/property/support.asp is updated regularly to ensure that the business community in Halton has access to the most relevant and up to date business critical information.
- A partnership between the Council, Halton Chamber of Commerce and Enterprise and Google to bring a 'Google Juice Bar' to the Borough. Google are currently rolling out a programme throughout the Liverpool City Region to enable the business community to fully harness the potential of the internet. The first 'Google' Juice Bar event was held at The Heath Business and Technical Park on Monday 21 November. The event allowed twenty four local companies to have one to one sessions with representatives from Google. Google felt the event was a success and, therefore, a proposal has been put forward to hold two further 'Juice Bars' in the Borough together with a larger event in 2012.

The BDT continues to work with business development colleagues across the Liverpool City Region (LCR) to put in place business support programmes that are responsive to the needs of local companies.

The Liverpool City Region Local Authorities have, therefore, jointly brought forward a funding bid under ERDF 4.2 to address a number of the gaps in current and future business support provision in the City Region

The original funding proposal was based upon a 36 month programme commencing in, April 2011. However, delays in the European approval process means that the programme is unlikely to be given approval until January 2012. As a consequence the delivery of actual business support can only realistically begin in April 2012.

Notwithstanding the necessity to concertina the programme from 36 months to 24 months it is felt that the original output profile can be achieved. That is:-

Businesses with improved performance	180
Jobs created	150
Jobs safeguarded	75

The above outputs will be achieved through the delivery, over the life time of the programme, of :-

1:1 business advice and guidance sessions	150
Workshops	12
Webinars	12
Business Briefings	12

A key member of the BDT is currently seconded to the Mersey Gateway Team and is charged with acquiring the land necessary to build the bridge and facilitating the relocation of business affected by the land take necessary for the project to go forward. To date, major relocations have included Thermo Fisher, Ventcroft and Gussion Transport

BID Programme

Business Improvement Districts or BID's are a partnership between local authorities and local businesses to provide additional services or improvements to a specific area funded by an additional levy to the non-domestic rates.

All ratepayers in the BID area have the opportunity to vote on the proposed BID. Approval of a BID has to meet two tests. Firstly a simple majority of those voting in the BID ballot must vote in favour. Secondly, those voting in favour must represent a majority by rateable value of the rateable properties of those voting.

BIDs are completely private sector lead so local businesses have total control over how the resources of the BID are spent. Local businesses can, therefore, develop local solutions to address local issues and by investing collectively in those solutions they can make a real impact on their business area

The Borough of Halton is perhaps unique in the UK in that it has two BID areas based upon industrial areas. The Astmoor and Halebank BID programmes have been operating since April 2008 and have since their inception delivered:

A massive reduction in recorded crime through the provision of :-

- A comprehensive CCTV system
- An Auto Number Plate Recognition (ANPR) CCTV system recording all vehicles entering and exiting the estate (Astmoor only)
- Mobile CCTV (Astmoor only)
- SmartWater DNA forensic property marking equipment for every business

- Mobile security patrols
- Day time guarding between Monday and Friday (as and when required)
- A twenty four hour alarm or incident response service
- A 365 days per year key holding service
- Automatic alarm diallers linked to existing security systems and connected to the alarm response service
- High profile crime prevention signage
- Vacant property alarms and external PIR sensors

The physical, environmental and the visual amenity of the estates have been improved through:-

- New gateway signage at each vehicle entrance
- Landscape improvements
- The painting of gates and fences around the estate in a uniform style (Astmoor only)
- Painting the external cladding of a number of buildings (Astmoor only)

Astmoor and Halebank businesses now have the people and systems in place to move the estate forward including:-

- A full time dedicated Estate Manager
- Regular Business Steering Group meetings
- Dedicated websites and on-line business directories
- A specific Inward Investment brochure (Astmoor only)
- Quarterly estate news letters
- Estate wide membership of Halton Chamber of Commerce and Enterprise
- Coordinated estate branding
- Dedicated estate salt stores and salt bins
- A free universal recycling service
- A comprehensive training programme for the employees of resident businesses

The BID Team is also working closely with colleagues from Transport Policy to develop a Local Sustainable Transport Fund (LSTF) proposal to improve sustainable transport links between the BID areas and adjacent residential communities, for example better provision for cycling and walking and more flexible public transport provision.

The Team is also working with the Major Projects Team to forge links between Astmoor Industrial Estate and the Castlefields estate. This will include the creation of safer walking routes to encourage residents to take up employment opportunities at Astmoor and greater involvement of Astmoor businesses within the local community. Kawneer have, for example, invested in Phoenix Park as part of their Corporate Social Responsibility activities.

The Visitor Economy

The BDT supports the visitor economy in Halton through :-

- The management of the Tourism Business Network which brings together representatives from the Borough's hotels and visitor attractions to share information and develop activities of mutual benefit
- The management of the web site <u>www.visithalton.com</u>, tourism blogs and four public information kiosks across the Borough. The 'Visit Halton' web site is

currently benefiting from a major upgrade funded by the Borough Council and The Mersey Partnership

- The management, in partnership with Halton Chamber of Commerce and Enterprise, of the annual Halton Business and Tourism Awards. The 2012 awards will be held on Friday 30 March and will benefit from sponsorship from Virgin Trains, Mexichem, Selwyns Travel, Reel Cinemas, ABB, INEOS Chlor Vinals, Prologis and Medicash.
- The development of Action Plans to maximise the benefit to the visitor economy of the construction phase of the New Mersey Gateway and Widnes Viking's first season in Super League
- The facilitation of the Heritage Open Days and Great Days Out events
- Working strategically across the Department

The BDT works across the Economy, Enterprise and Property Department on a number of sectoral and work force development initiatives.

For example, the BDT have supported the development of the science, technology and advanced manufacturing (STAM) in partnership with the Adult Learning and Skills Team.

The BDT have for example :-

 Developed a suite of web resources to promote science business investment and growth

www.wheresciencesucceds.co.uk
 to provide an information resource for businesses in the science, technology and advanced manufacturing sector
 www.scipodonline.co.uk
 to enthuse young people about science
 www.sciencehalton.com
 to provide young people and careers professionals with an online 'careers route way' illustrating available support, opportunities and useful courses and qualifications

- Made numerous presentations to local schools and colleges about careers in science and technology
- Worked with Careers Academies UK to promote the development of science, technology, engineering and maths (STEM) Career Academies in Halton at, for example, St Chad's Catholic and Church of England High School
- Supporting Bankfield School's five Primary feeder schools to obtain PSQM (Primary Science Quality Mark)

The BDT also play a significant supporting role as part of the Halton Employment Partnership (HEP) by for example, the creation of a dedicated web presence for HEP within www.runcorn-widnes.com

3.5 Outputs

Enquiries

As stated previously investment enquiries managed by the BDT have remained depressed since the onset of the global recession in 2008 and are anticipated to remain depressed in the medium term. For example, for the period April 01 2011 until November 30 2011 the BDT have received 110 investment enquiries compared with 111 enquiries in the same period in 2010.

Conversions

Conversions, the proportion of enquiries that are translated into actual investment or expansion projects, have also been affected by the turmoil in the global economy. For the period April 01 2011 until November 30 2011 the BDT recorded 7 successful conversions compared to 18 in the same period in 2010. Conversion rates in Halton, however, remain high and compare favourably with neighbouring Borough's across the Liverpool City Region.

25% 20% Conversion Rate 15% 10% 5% 12% 11% 13% 11% 14% 16% 14% 16% 13% 5% 13% 17% 0% 00-01 01-02 02-03 03-04 04-05 05-06 06-07 07-08 08-09 09-10 10-11 11-12 Year

Conversion Rate

* April 2011 - November 2012

Conversions April 2011 - November 2011

Company	Expansion\ In-mover	Туре	Jobs created\ safeguarded
		011.	N
Halton Disability Partnership	Expansion	Office	Not known
PIN Property ≭	Inward	Industrial	100 +
Cheshire Wedding & Events	Expansion	Industrial	Not known
C&T Handcrafting	Start up	Industrial	2
DiaPac UK Limited	Inward	Industrial	Not known
FBS Contracts Ltd	Expansion	Industrial	Not known
Key Total Vision	Inward	Industrial	15
C&L Services	Expansion	Industrial	Not known
Maverick Training	Start up	Industrial	1
Halton Youth Offenders Team	Expansion	Office	0
Derek Twigg MP	Expansion	Office	0
Webuyanycar.com	Expansion	Office	Not known
Shaw Trust	Inward	Office	10
Widnes Dog Grooming	Expansion	Retail	1
Widnes Tank Services	Relocation *	Industrial	50 safeguarded
Downton	Inward	Industrial	100
Prime Industries Ltd	Relocation *	Industrial	20
Key Total Vision	Inward	Industrial	15

★ Mersey Gateway relocation

★ PIN Property recently announced that their client, Cash Convertors, anticipate creating a further 200 jobs at Spiral House in Runcorn.

The activities of the BDT, between, April 2011 and November 2011, contributed to the creation of **224** new jobs and the safeguarding of a further **99** jobs.

3.6 Conclusion

The BDT is a small team with limited resources and is, therefore, unable to provide a comprehensive service to the local business community. Increasingly, therefore, the BDT will be forming partnerships with both public and private sector business support agencies to ensure that the local business community is adequately supported.

Given limited resources The BDT is a key player in the delivery of the Halton Employment Partnership (HEP). The BDT has been instrumental in helping partners to prioritise and deploy resources to provide maximum impact in the support provided to Halton's businesses. For example, The BDT has been advising the HEP on four fundamental questions:

Why we engage with Businesses and Employers? How we engage with Businesses and Employers? Who engages with Businesses and Employers? With which Businesses and Employers we engage?

To this end, the BDT has also begun the process of mapping business support locally in order to identify any gaps in provision. Where gaps in provision exist the BDT will work with others to develop flexible local solutions that meet the needs of the local business community.

Given the diminishing resources available to the public sector the BDT will focus upon :-

- The provision of a comprehensive property finding service
- The maintenance of a comprehensive company database
- The effective provision of business critical information
- Marketing the Borough of Halton to potential inward investors
- Acquiring the land necessary for the construction phase of the Mersey Gateway
- Increasing geographically based business initiatives, for example the BID programme
- Working with micro-businesses and recent start up businesses to take the next step to sustainability and profitability
- The development of businesses within the visitor economy

This approach is putting the Council and its partners in a strong position in responding to recent announcements made by the Government in respect of employer facing activities. A summary of these announcements is provided in Appendix 1

4.0 POLICY IMPLICATIONS

The work of the BDT will deliver benefits to both the local business community and the wider community of Halton and in so doing contribute to the realisation

of a number of the Council's key strategic objectives described in the Community Strategy.

5.0 OTHER IMPLICATIONS

5.1 Financial Implications

The activities of the BDT are currently met from core Council budgets

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

Improving business sustainability and performance will create more employment opportunities for the Borough's young people

6.2 Employment, Learning and Skills in Halton

The primary role of the BDT is to encourage business growth and sustainability and thereby create employment opportunities for the people of Halton.

The Team also work with colleagues and partner agencies, through the HEP initiative, to map the future skills needs of the Borough and to work with the education and training sector to ensure that local people have the necessary skill sets and aptitudes to take advantage of new employment opportunities

6.3 A Healthy Halton

Access to employment is a contributor to the heath of both individuals and communities. The BDT contribute to the creation of tangible employment opportunities for local people.

6.4 A Safer Halton

Access to employment is one of a number of contributors to anti-social behaviour. The BDT contribute towards the tangible employment opportunities for local people.

6.5 Halton's Urban Renewal

The BDT contribute to the continuing diversification of the Borough's economic base and increased levels of entrepreneurship thereby contributing to the economic renewal of Halton

7.0 RISK ANALYSIS

Central government intend, increasingly, to expand the role of private sector providers with respect to the provision of business support. Government policy is also increasingly focused upon 'high growth' companies.

The provision of business support by the public sector is likely, therefore, to be marginalised. As a consequence local, flexible and responsive provision

addressing particular local needs is likely to diminish.

8.0 EQUALITY AND DIVERSITY ISSUES

There are no equality and diversity issues

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act

APPENDIX 1 – RECENT GOVERNMENT ANNOUNCEMENTS

GREATER ROLE FOR EMPLOYERS IN SKILLS FUNDING

The funding system for skills introduced by this Government has to date been entirely demand driven, meaning that if learners choose to take a course and a college or learning provider(s) deems it economic to operate it, the learner can take the course. There have been concerns expressed that the employer voice is not always heard in this.

The Government has responded to this by announcing a pilot £250m fund for employers to access for vocational training, which will be a top slice from the funding for colleges and vocational providers.

The competitive fund will route public investment directly to employers and will be backed by significant resources from existing skills budgets. Funding for 2012/13 will be up to £50m, with an additional £200m in the second year - subject to evidence of high-quality proposals from employers and ongoing evaluation. It will test different approaches, come up with new ways of engaging employees and potential employees, other firms and their supply chains to develop new ways of investing in skills, and working with the further education and skills sector. It will be open to collaborative proposals from businesses of all sizes and from all sectors of the economy. Bids will need to demonstrate how public investment will leverage private investment, support Apprenticeships and show a commitment to raising skills levels in their sector or supply chain.

It is expected that this will start in 2012-13 with a joint prospectus being developed between Government and the UK Commission for Employment and Skills. It is thought that groups of employers within sectors or supply chains will come together to submit proposals, which are expected to be operational from September 2012. There is a desire to be able to assess the scale and economic impact through this pilot which will guide the number and value of awards.

GROWTH AND INNOVATION FUND

The Growth and Innovation Fund (GIF) helps employers develop their own innovative, sustainable skills solutions which have the potential to transform growth in their sector, region or supply chain. GIF enables employers, with the support of their industry and sector bodies, to work within their supply chains, business clusters, with colleges and training providers, and with their staff and trade unions, to remove the barriers they face in developing the skills they need and to make the most of opportunities for growth. £63m is available over the next three years.

GIF is actively seeking proposals which deliver demonstrably employer-led, innovative and future-proofed skills solutions and support the drive to greater ownership of skills by employers. There is a desire to use GIF investment alongside employer investment and build sustainable skills capacity and infrastructure.

Employers and sectors currently face a unique set of challenges if they are to maximise the competitive advantage that lies within the skills and capabilities of its workforce. GIF are looking for proposals which have the realistic prospect of: making a sustainable impact on enterprise, productivity and growth

drawing in greater employer investment in the medium term to meet those skills challenges that are an obstacle to growth being sustainable beyond the period of GIF funding achieving a step-change in the scale, quality, relevance and impact of how skills are delivered, acquired, developed and applied.

Strong proposals will be driven by a thorough understanding of what businesses need now and in the future. In particular, GIF encourage ideas which resonate with themes that are important in driving growth such as:

addressing shared needs of clusters of employers through value, distribution and supply chains or around a geographical focus identification of new Apprenticeship framework opportunities and growth of apprenticeships in sectors where there is unrealised potential promoting investment in Apprenticeships and their status improving the leadership and management capability within businesses addressing core sectoral issues such as low carbon and customer service meeting the specific needs of SMEs innovation in the design and development of skills training solutions

innovation in the design and development of skills training solutions innovation in delivering of skills and skills training, with employer-led organisations playing a leading role.

GIF assumes that organisations submitting applications will already have established a need and/or market failure to be addressed and that there is employer support for the proposition. GIF will invest in projects where a business planning phrase is required at the outset, however they are not seeking proposals for feasibility studies. One application can only be dealt with at any one time from each organisation.

GIF welcomes applicants from a wide range of employer-led organisations such as; Sector Skills Councils, Industry Training Boards, National Skills Academies, employer associations, trade associations, professional bodies and formally constituted sector bodies, as well as formally constituted Local Enterprise Partnerships. Groups of employers acting on behalf of a sector consortium or leading supply chain initiatives to work in partnership with an eligible organisation. Organisations are encouraged to use the eligibility tracker on the GIF website to ensure eligibility. Colleges, training providers, universities, awarding organisations, local authorities and housing associations are not eligible to apply in their own right, but collaborative applications led by an eligible organisation are very much welcomed.

YOUTH CONTRACT

Nick Clegg has announced £1bn of new funding over 3 years to support young people into work. The following will be offered, to start in April 2012: At 3 months unemployed, young people will be able to access one of 250,000 work experience places (additional to the 50,000 places previously announced) or a place on a Sector based work academy as well as receiving an interview with the National Careers Service

At 5 months, young people will be required to sign for their benefit weekly rather than fortnightly

At 9 months, young people will transfer to the Work Programme and will be able to access one of 160,000 jobs be subsidised by providing £2,275 to any private-sector organisations willing to hire an unemployed 18-24 year old, or one of 40,000 apprenticeships funded by incentive payments. Funding for these programmes will be routed through A4e and Ingeus as Work Programme contractors in the City Region.

In addition, there will be a £50m programme for the 25,000 most disadvantaged 16-and 17-year-olds in England - those not in employment, education or training. Any young person who is taken on through a work placement will need to complete the placement or they will be refused benefits. Anyone who rejects a subsidised job offer will be required to undertake four weeks mandatory work activity. Additional support will also be available from Jobcentre Plus through personal advisors.

APPRENTICESHIPS

Government has announced some changes to the way in which Apprenticeships are supported nationally as follows:

To encourage thousands of small firms that do not currently hire apprentices to take on a young apprentice aged 16 to 24, the Government will offer employers with up to 50 employees an incentive payment of up to £1,500. This will support up to 20,000 new apprenticeships in 2012/13. An initial payment will be made two months after the individual has started their apprenticeship; the balance will be paid after the apprenticeship has been completed and the trainee has progressed into sustainable employment. The £30m funding for this will come from redirecting existing apprenticeship funding and is expected to start from early 2012.

Processes will be simplified to make it quicker and easier for employers to take on an apprentice. The National Apprenticeships Service and training providers will be required to ensure that every employer is in a position to advertise a vacancy within one month of deciding to take on an apprentice. Health and safety requirements will be streamlined so that there are no additional demands on employers that already meet national standards.

There will be a renewed focus on targeting the programme where apprenticeships deliver greatest value - including on younger adults, new employees, higher level qualifications and particular sectors where they can make the greatest impact.

Apprenticeship providers will be required to offer training in English and Maths up to the standard of a good GCSE (level 2) for all apprenticeships.