

REPORT TO: Employment, Learning, Skills and Community Policy & Performance Board

DATE: 19th November 2018

REPORTING OFFICER: Strategic Director – Enterprise, Community and Resources

PORTFOLIO: Economic Development

SUBJECT: Policy Update – Employment Learning and Skills

1.0 PURPOSE OF THE REPORT

1.1 To inform the Board of recent national policy announcements relevant to the Employment, Learning and Skills Policy Performance Board.

2.0 RECOMMENDATION:

2.1 That the report is noted.

3.0 BACKGROUND

3.1 A number of policy, legislation, consultation and guidance documents, are issued by government departments and agencies that have varying degrees of relevance to issues on the employment, learning and skills agenda and related topics.

3.2 The information provided is not intended to be in-depth but provides a brief summary of key announcements along with observations of local relevance, where appropriate. The Board can then consider whether to initiate more detailed scrutiny and/or report to a future meeting. The update covers the period from the last PPB in September to 31st October 2018.

3.3 The report should be considered alongside the ‘key developments’ and ‘emerging issues’ that are set out in the Quarterly Performance Report.

3.4 Announcements

3.4.1 New funding for cutting edge quantum technologies

Funding announced in the Autumn Budget will give scientists the chance to come up with ways to develop quantum computing to bring more real-life benefits for people in the UK.

- The UK will establish a new National Quantum Computing Centre in the race to build the world’s first universal quantum computer
- quantum technologies include a new generation of sensing, imaging, timing, navigation, communications and computing devices and is already helping us to crack new codes and understand human cells better
- The Industrial Strategy aims to drive the development of the most potentially revolutionary, cutting-edge technologies, and accelerating their adoption in real-

world, industrial environments in order to realise their benefits for business, consumers and wider society

£235 million has been allocated. This includes establishing a new National Quantum Computing Centre, a quantum challenge to bring technology to markets and boost the economy, and new centres for doctoral training to upskill future experts.

These new technologies will help address the medical, environmental, security and societal challenges of the future. They are the next generation of sensing, imaging, timing, navigation, communications and computing devices, using sub-atomic particles to take computing performance far beyond the abilities of existing 'classical' technologies.

Quantum sensors will see things we currently cannot see: the buried pipes and cables that cause costly delays to construction projects or the light from hazards obscured by mist or fog. Quantum computers will perform in a way classical computers will never be able to perform, for example:

- rapidly cracking previously unbreakable codes
- investigating the complex interaction of cells in the body
- or analysing complex weather systems

Quantum sensors and clocks will enable navigation in areas where satellite signals from GPS and Global Navigation Satellite Systems are unavailable.

3.4.2 Up to £50 million to develop world leading AI talent in the UK

The Government has committed further investment to the UK's booming Artificial Intelligence (AI) sector by announcing up to an additional £50 million to attract and retain the world's top talent.

The announcement within this week's budget builds on the AI Sector Deal, worth up to almost £1 billion, launched earlier this year. As part of the government's modern Industrial Strategy, the sector deal set out how the UK will be at the forefront of the AI and data revolution.

Working with the Alan Turing Institute, up to £50 million will be invested in new Turing AI Fellowships to help bring the best global researchers in AI to the UK. The funding will allow the UK to attract, retain and develop world leading research talent.

3.4.3 Call for new green innovations to tackle climate change

Innovators and researchers can bid for a share of £60 million with their ideas to make our air cleaner and help tackle climate change.

Britain's best innovators and researchers will be invited to pitch their ideas to help tackle the effects of climate change on towns, cities and the countryside as part of modern Industrial Strategy.

Business and Energy Secretary Greg Clark announced 4 new research programmes to boost the UK's resilience to climate change, develop digital

environments, promote clean air and investigate how to use our land to boost health outcomes.

The £60 million funding pot was announced during the first ever [Green GB Week](#) – a government-led week of campaigning to encourage businesses, communities, funders and academics to renew their efforts to confront the global challenge of climate change.

3.4.4 New measures to support workers, businesses, and entrepreneurs

The government has announced plans to strengthen the UK's business environment.

The Business Secretary Greg Clark has announced a series of new measures to back businesses and entrepreneurs, support workers and ensure every part of the country benefits from the government's modern Industrial Strategy.

The new measures include:

3.4.5 Tipping

The government has announced plans to ensure that tips left for workers will go to them in full.

While most employers act in good faith, in some sectors evidence points towards poor tipping practices, including excessive deductions being made from tips left by customers.

New legislation will set out that tips must go to the workers providing the service.

This legislation will ensure workers get the tips they deserve and give consumers reassurance that the money they leave in good faith to reward good service is going to the staff, as they intended – ensuring that hard work is rewarded.

3.4.6 More protection for small businesses

A commitment to end the unfair treatment of small businesses by companies who abuse their position by paying late for products and services.

The government will strengthen the Prompt Payment Code with a new tough and transparent compliance regime. A call for evidence will be published later this week which will consider the best way to ensure company boards put in place responsible payment practices throughout their supply chain, including whether all company boards should give one of their non-executive directors specific responsibilities for the company's prompt payment performance.

The Small Business Commissioner will join the Prompt Payment Code's Compliance Board to support his role in tackling late payment.

3.4.7 Proposals to help parents and carers in the workforce

Working flexibly helps people to balance their work and home lives and is vital in creating an inclusive economy where those with caring responsibilities can continue working. It also gives employers access to a wider pool of talent and enables better matching of applicants and jobs.

While many companies are increasingly embracing flexible working and the benefits it brings, some employees face barriers in raising this issue with their employers.

The government will consider creating a duty for employers to consider whether a job can be done flexibly, and make that clear when advertising.

3.4.8 Greater transparency on parental pay

The government will consult on requiring employers with more than 250 staff to publish their parental leave and pay policies, so job applicants can make informed decisions about whether they can combine the role with caring for their family.

Statutory entitlements to leave and pay for new parents are key to this vision for 'good work' and to the participation and progression of parents, especially mothers, in the labour market.

While many employers go further than the legal minimum for parental leave and pay, very few publish their policies openly. Applicants must ask prospective employers what the position is which many are reluctant to do for fear of discrimination.

3.4.9 Autumn Budget

The personal allowance threshold, the rate at which people start paying income tax at 20%, to rise from £11,850 to £12,500 in April - a year earlier than planned

The higher rate income tax threshold, the point at which people start paying tax at 40%, to rise from £46,350 to £50,000 in April

After that, the two rates will rise in line with inflation

National Living Wage increasing by 4.9%, from £7.83 to £8.21 an hour, from April 2019.

Work allowances for universal credit to be increased by £1.7bn.

2.4 million working families with children to benefit by £630 a year.

An extra £1bn to help welfare claimants transfer to the new consolidated benefit.

New 2% digital services tax on UK revenues of big technology companies, from April 2020.

Profitable companies with global sales of more than £500m will be liable.

Private finance initiative (PFI) contracts to be abolished in future.

New centre of excellence to manage existing deals "in the taxpayer's interest"

Annual investment allowance to be increased from £200,000 to £1m for two years

Contribution of small companies to apprenticeship levy to be reduced from 10% to 5%

Business rates bill for firms with a rateable value of £51,000 or less to be cut by third over two years

Measure to benefit 90% of independent shops, pubs and restaurants, cutting bills by £8,000

£900m in business rates relief for small businesses and £650m to rejuvenate High Streets

New 100% mandatory business rates relief for all lavatories made available for public use

Extending changes to the way self-employment status is taxed, from the public sector to medium and large private companies, from 2020.

4.0 POLICY IMPLICATIONS

5.1 There are no further policy implications.

4.0 OTHER IMPLICATIONS

5.1 None

5.0 RISK ANALYSIS

5.1 There are no immediate risks directly relating to the information in the report.

6.0 EQUALITY AND DIVERSITY ISSUES

6.1 None

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

7.1 None under the meaning of the Act.