House of Commons

Business, Energy and Industrial Strategy Committee

The Government's Productivity Plan: Government Response to the Business, Innovation and Skills Committee's Second Report of Session 2015–16

Second Special Report of Session 2016–17

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Business, Energy and Industrial Strategy Committee

The Business, Energy and Industrial Strategy Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Business, Energy and Industrial Strategy. The Committee's name was changed, from the Business, Innovation and Skills Committee, on 17 October 2016.

Current membership

Mr Iain Wright MP (*Labour, Hartlepool*) (Chair)

Richard Fuller MP (*Conservative, Bedford*)

Peter Kyle MP (*Labour, Hove*)

Amanda Milling MP (*Conservative, Cannock Chase*)

Albert Owen MP (*Labour, Ynys Môn*)

Amanda Solloway MP (*Conservative, Derby North*)

Michelle Thomson MP (*Independent, Edinburgh West*)

Kelly Tolhurst MP (*Conservative, Rochester and Strood*)

Craig Tracey MP (*Conservative, North Warwickshire*)

Anna Turley MP (*Labour (Co-op), Redcar*)

Chris White MP (*Conservative, Warwick and Leamington*)

The following were also members of the Committee during the inquiry:

Paul Blomfield MP (*Labour, Sheffield Central*)

Jo Stevens MP (*Labour, Cardiff Central*)

Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/beis and in print by Order of the House.

Evidence relating to this report is published on the inquiry publications page of the Committee's website.

Committee staff

The current staff of the Committee are Chris Shaw (Clerk), Martin Adams (Second Clerk), Josephine Willows (Senior Committee Specialist), Becky Mawhood (Committee Specialist), Ian Cruse (Committee Specialist), James McQuade (Senior Committee Assistant), Jonathan Olivier Wright, (Committee Assistant) and Gary Calder (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Business, Energy and Industrial Strategy Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5777; the Committee's email address is beiscom@parliament.uk.

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Second Special Report

The Business, Innovation and Skills Committee published its Second Report of Session 2015–16, *The Government's Productivity Plan* (HC 466), on 1 February 2016. The Government's response was received by the Business, Energy and Industrial Strategy Committee on 20 December 2016 and is appended to this report.

In the Government response, the Committee's recommendations appear in *italicised text* and the Government's responses are in plain text.

Appendix 1: Letter from Rt Hon Greg Clark MP to Mr Iain Wright MP

I would like to thank you for your Committee's report on the Productivity Plan. Increasing productivity is one of the key economic challenges of our time and I therefore welcome the Committee's focus on this issue.

Productivity, as a driver of long term prosperity, will remain an important focus as the Government develops an industrial strategy that works for all. I have separately written to the committee to provide a high level view of some of the Government's priorities for this new Strategy. I look forward to the Committee's help to ensure it is rooted in the best evidence and learns the right lessons from the rest of the world.

The comprehensive industrial strategy we are developing will also form a key part of how this Government takes forward the productivity agenda. In particular, any attempt to boost prosperity needs to have a strong focus on place. I also share the Prime Minister's focus on ensuring we protect our reputation for fair dealing by emphasising the role of good corporate governance – I welcome the Committee's inquiry into this important area.

Since my predecessor's letter to you last March, further progress has been made in implementing the commitments outlined in the Productivity Plan. To name a few, key planning reforms have been taken forward through the Housing and Planning Act. Employer guidance on how the Apprenticeship Levy will operate was published last April and final funding bands last October. And further mayoral devolution deals were also signed.

As recommended by the Committee, alongside this letter I have included an update detailing the progress made and future implementation of each of the Plan's commitments. It also contains quantifiable metrics of success for each set of policies in the Plan, most of which are already being tracked by the Single Departmental Plans.

I have also annexed to this letter a more detailed response to the points the Committee raised, including a thorough response to each of the policy recommendations made in the Report.

Thank you once again for your hard work as Chair of the Select Committee and for looking at this important issue.

The Rt Hon Greg Clark MP, Secretary of State for Business, Energy & Industrial Strategy

Appendix 2: Government Response

Coordination of the policies in the Productivity Plan

"The Government is right to be concerned by the lack of productivity growth in the United Kingdom and the Committee welcomes the Government's focus on this issue. We endorse the analysis of the problem in the Plan. However, we question whether the document has sufficient focus and clear, measurable objectives to be called a 'plan'. This broad and expansive document represents more of an assortment of largely existing policies collected together in one place than a new plan for ambitious productivity growth."

The Government welcomes the Committee's decision to focus on the challenge of boosting productivity in the UK. The Government has made increasing productivity one of its key economic priorities over this Parliament since it recognises that this is the route to raising living standards for everyone.

The Government disagrees, however, with the Committee's view that the Productivity Plan does not have sufficient focus or clear and measurable objectives. The Plan sets out 15 distinct objectives which stem directly from the Government's analysis of the UK's productivity problem.

The Plan's policies are designed to achieve progress against these objectives, and target improvements in the high level drivers of productivity performance by:

- encouraging long-term investment in economic capital, including infrastructure, skills and knowledge; and
- promoting a dynamic economy that encourages innovation and helps resources flow to their most productive use.

The Plan also announced a number of new and innovative policies specifically designed to deal with the longstanding problems holding back productivity growth in the UK. These include:

- creating a dedicated Roads Fund for investment in the strategic road network, through hypothecating VED for road funding;
- funding new apprenticeships through a levy on large employers to ensure those who prioritise training get more out than they put in; and
- introducing a new zonal planning system, effectively giving automatic planning permission for residential development on suitable brownfield sites.

Measuring success of the Productivity Plan

"While the Productivity Plan holds many commitments for future actions, there are few clear timelines. Greater certainty could be achieved if these policies had clear milestones for implementation and success. We therefore recommend that the Government produces a clear supplementary document outlining the proposed implementation and measure of success of each policy in the Productivity Plan, regularly updated with progress against key milestones and dates. We note that of the 16 chapters of policy areas in the Plan, very few

have usable measures of performance. Only once the Government publishes quantifiable metrics of success and a roadmap to implementation of the policies contained within the Plan, will Parliament be able to hold Ministers to account."

We have published an update on the implementation of the Productivity Plan as part of the Government's response to this Report. It details the progress made in implementing each of the Productivity Plan's commitments and the next steps in the implementation of outstanding commitments. It also sets out success metrics which can be used to measure progress against each of the Plan's headline objectives. Since many of the Plan's policies are targeting improvements to a set of common measures, we do not believe it would be sensible or practical to publish separate measures of success for individual policies.

Ministerial involvement

"Our conversations with the Ministers and subsequent analysis has led us to conclude that the ministerial engagement in the implementation of the Productivity Plan is far too weak. We are concerned that the cross-departmental implementation work for what is meant to be a key part of government economic policy has been left to officials holding periodic meetings. Effective coordination, ministerial direction and political leadership all need to be much clearer and stronger. We are concerned that, without the discipline of regular cross-departmental ministerial accountability, there is insufficient ministerial focus on the implementation of the Productivity Plan."

The Government disagrees with the Committee's view that ministerial engagement in the implementation of the Productivity Plan is too weak. A number of Cabinet Committees regularly consider issues relating to the main policies in the Productivity Plan, including the Economic Affairs sub-Committee. This will also be a key area of focus for the overarching Economy and Industrial Strategy Committee.

Alongside the Cabinet Committees, this Government has set up Implementation Taskforces to drive the delivery of the Government's crosscutting priorities, including a number of key Productivity Plan policies. For example, the Earn or Learn Taskforce is supporting the Government's commitment to reach three million apprenticeships starts in England by 2020. These taskforces are attended by the relevant Ministers and report regularly to the Prime Minister and Cabinet.

Basic skills

"Given the raft of existing metrics on basic skills, we recommend that the Government outlines what policies particularly in terms of improving productivity it will introduce to improve the basic skills of the workforce and clearly states how it will measure the success of these policies, which will also assist Parliament's scrutiny of this crucial area."

The Government puts improving literacy and numeracy at the heart of its reforms to all stages of education.

The Department for Education introduced phonics checks and a revised primary curriculum to ensure all pupils master the basics in English and maths during their primary education. We have also revised our secondary curriculum and produced new specifications for GCSEs and A-Levels. We are now reforming Functional Skills qualifications to make them more rigorous and appealing to employers.

Since 2014 we have required every 16–18 year old not holding good passes in GCSE English and maths to continue to study these vital subjects as part of their study programme. We have also embedded English and maths into work-based training programmes, including apprenticeships and traineeships to give young people the skills they need to work.

In terms of adult education, we continue to invest nearly £500m each year in literacy and numeracy provision, supporting around 750,000 people. We provide full funding to ensure courses are accessible and we support provision through a wide range of providers, including colleges and prisons. We have also recently announced that we are legislating to ensure that basic digital skills training is free to all adults who need it.

To measure success, our two key approaches are:

1. Holding 16–18 providers to account through an English and maths progress measure for those students who have not achieved at least a grade C at the end of key stage 4. In addition, we are monitoring participation and success rates by adult learners taking English, maths or English for Speakers of other Languages courses with the Statistical First Release.

2. From summer 2017, we will publish new outcome-based success measures of education provider performance. These will measure learner destinations (into employment and further learning), learner progression (to a higher level qualification) and earnings, using administrative data sources already held by the Government.

Employability skills

"There are differing views on where the line should be as well as a lack of clarity between 'basic' and 'employability' skills but it is clear that the Government should be involved. We therefore recommend that the BIS Department works across the Government to enhance the employability skills that are acquired by school pupils, college and university students by looking to give work experience greater prominence in schools as part of a proper policy on information, advice and guidance. We particularly note and support the positive impact that enterprise initiatives can have in schools, such as the activities of the charity Young Enterprise. Again, it should publish a clear and quantifiable measure of success for this policy, against which it can be held to account."

The Government recognises that quality work placements will often be the main way that students can gain the practical skills and behaviours required for the workplace. It is for providers, industry and businesses themselves to work together to ensure people are equipped with the right skills, knowledge, work readiness that employers need, including any arrangements for work placements and industry experience for students.

However, government does have an important role to play in making it easier for industry to partner with universities and colleges to support student teaching. Alongside this we would expect Industry, universities and schools to collaborate in promoting work placements in an open and transparent way. This will make it easier for all students to have the opportunity to experience a foretaste of the industry that may well lead to permanent employment.

Responsibility for careers information, advice and guidance in schools in England sits with the Department for Education.

We are investing £90m over this Parliament to ensure that every young person has equal access to the life-changing advice and inspiration that they need to fulfil their potential and succeed in life. This includes further funding for The Careers & Enterprise Company to continue the excellent work it has started, and £20 million to increase the number of mentors from the world of work supporting young people at risk of under-achieving.

Statutory guidance for schools on careers guidance makes it clear that schools are expected to engage with local employers to ensure real-world connections with the world of work lie at the heart of schools' approach to careers education. In practice, this should mean offering activities such as work placements, work experience and other employer-based activities as part of their careers strategy for year 8–13 pupils.

We are providing valuable support for schools in this area. The aforementioned Careers & Enterprise Company has already made great progress with improving engagement between employers and schools, including through the roll out of its Enterprise Adviser Network. The National Careers Service also provides tools and resources to support schools, colleges and local authorities in implementing their statutory careers duties.

The Post-16 Skills Plan sets out how the Department for Education will transform post-16 technical education to ensure that young people gain the technical knowledge and skills required to enter skilled employment. Every 16–18 year old student following a two-year college-based technical education programme will be entitled to a high-quality, structured work placement in their second year.

Traineeships are focused on giving young people skills and vital experience needed to compete successfully for an apprenticeship or other sustainable employment. At their core is an extended, high quality work experience placement, a focused period of work preparation training and English and maths for young people who have not achieved a GCSE Grade C or equivalent. Traineeships unlock the great potential of young people. They are at the heart of the Government's drive to tackle youth unemployment.

In addition, the Government has announced its intention to bring forward legislation at the earliest opportunity to require schools to co-operate with other education and training providers so that they can engage with pupils, on the school premises, to inform them directly about what they offer.

To measure success, Ofsted has given higher priority to careers guidance in school inspections – and since autumn 2016 the Department for Education has included destination measures as a headline measure in the key stage 4 and 16–18 performance tables. These measures show the proportion of students staying in education, training or employment for at least two terms after key stage 4 and key stage 5 and shine a light on how well schools and colleges are preparing their pupils to succeed beyond these key stages.

Apprenticeships—Quantity

"The Government has indicated that it is for businesses—not government—to drive skills policy through demand. It is counterintuitive for the Government to set a quantitative target on the industry to provide three million apprenticeships while suggesting that the provision of skills must be employer-led. We support the principle of increasing the number of apprenticeships, but the target is something of a blunt and arbitrary tool. Given that apprentices are employed by firms, we recommend that the Government, in its response to this Report, sets out the rationale—and publishes the evidence base—for it setting a target of three million apprentice starts when that may run against what businesses actually require."

Demand for apprenticeships has grown significantly in recent years. Over the last parliament there were 2.4 million apprenticeship starts. Since May 2015 there have been **624,700 apprenticeship starts** reported.

Survey evidence suggests that there is further opportunity to expand apprenticeship numbers where employers have not been able to access the right candidates[1] or because the right apprenticeships do not yet exist for their business[2]. These are both areas that we are addressing through our reforms.

Apprenticeships are paid jobs with training and availability is dependent on employers offering opportunities and recruiting apprentices. ***English Apprenticeships: Our 2020 Vision*** sets out how we will increase the number and improve the quality of apprenticeships, to achieve our commitment to reaching 3 million apprenticeship starts in England by 2020.

We are working closely with employers in a number of ways to give more businesses and individuals the chance to benefit from apprenticeships, including:

- **Apprenticeships Reforms.** Employer-led apprenticeship reforms continue to improve the quality of apprenticeships in England, providing the skills that employers need. We are giving employers more control of the funding – choosing and paying for apprenticeships training so they become more demanding customers.

- **Apprenticeship Funding reform proposals** – The apprenticeship levy, being introduced on 6 April 2017 will fund a step change in apprenticeship numbers and quality. It will provide the tools to train millions, increase our economic productivity and ensure that people from all backgrounds have the opportunity to succeed in skilled jobs. From May 2017, the new way we fund apprenticeships will simplify some of the complex arrangements that currently exist. It will make it easier for employers of all sizes to navigate and choose the apprenticeship training they want to purchase. Funding will follow employer choice, moving away from the current provider-led model, which will mean that providers will have to be much more responsive to what employers need.

- **Expanding the number of apprenticeships in the public sector.** This includes legislation in the Enterprise Act to set apprenticeship targets for public bodies in England.

1 Evaluation of apprenticeships: Employer Survey 2014
2 Employer Perspectives Survey 2012 UKCES

- **Communicating to employers, young people and parents.** The annual National Apprenticeship Week took place on 14–18 March 2016 to celebrate and raise the profile of apprenticeships. Over 30,000 apprenticeship places were pledged by businesses. A new 'Get In Go Far' apprenticeships communications campaign was launched in May 2016 to promote the benefits of apprenticeships to young people and employers. Almost 5% (9,811) of visitors to the campaign website submitted an application for an apprenticeship between July and October 2016

- **The Apprenticeship Delivery Board and the Apprenticeship Ambassadors Network** will encourage more businesses to develop quality apprenticeships. Members act as apprenticeship champions within their sector, working with employers of all sizes to increase both the number of apprenticeship places on offer and the supply of candidates.

Apprenticeships—Quality

"There could be a policy trade-off between the Government achieving the three million apprenticeships target and the maintenance of apprenticeship quality. We believe that the Government is right to resist this temptation and will continue to keep a close eye on this part of skills policy."

The Government is committed to reaching three million new high quality apprenticeships in England by 2020, and we are improving the quality of all apprenticeships.

Our reforms are making apprenticeships more rigorous with employers designing quality standards that meet their skills needs, and end-point assessments to ensure the apprentice is fully competent. All apprenticeships must be paid jobs; have a minimum duration of 12 months; and require sustained and substantial training to ensure apprentices gain transferable skills. We have implemented new gateways to help ensure an increase in the quality of training and assessments – the registers of training providers and assessment organisations, operated by the Skills Funding Agency.

We are establishing a new employer-led independent body, the Institute for Apprenticeships (the Institute), to support the quality of apprenticeship standards in England. The Institute will be fully operational from April 2017 and will be responsible for the scrutiny and approval of expressions of interest, apprenticeship standards and assessment plans submitted by employer groups. As in the current system, employers will continue to come together to design new apprenticeship standards, should they choose. The Institute will be responsible for maintaining a public database of apprenticeship standards and may publish information on potential gaps.

The Institute will also have a role in quality assuring the delivery of apprentice end-point assessments where employer groups have been unable to propose employer-led arrangements.

Antony Jenkins has been appointed to the role of Shadow Chair of the Institute for Apprenticeships. Peter Lauener has been appointed Shadow Chief Executive for the Institute for Apprenticeships.

The apprenticeships levy is being introduced in 2017 to fund a step change in apprenticeship numbers and quality. The levy will put the funding of high quality apprenticeship training on a sustainable footing and enable us to improve the skills of the workforce.

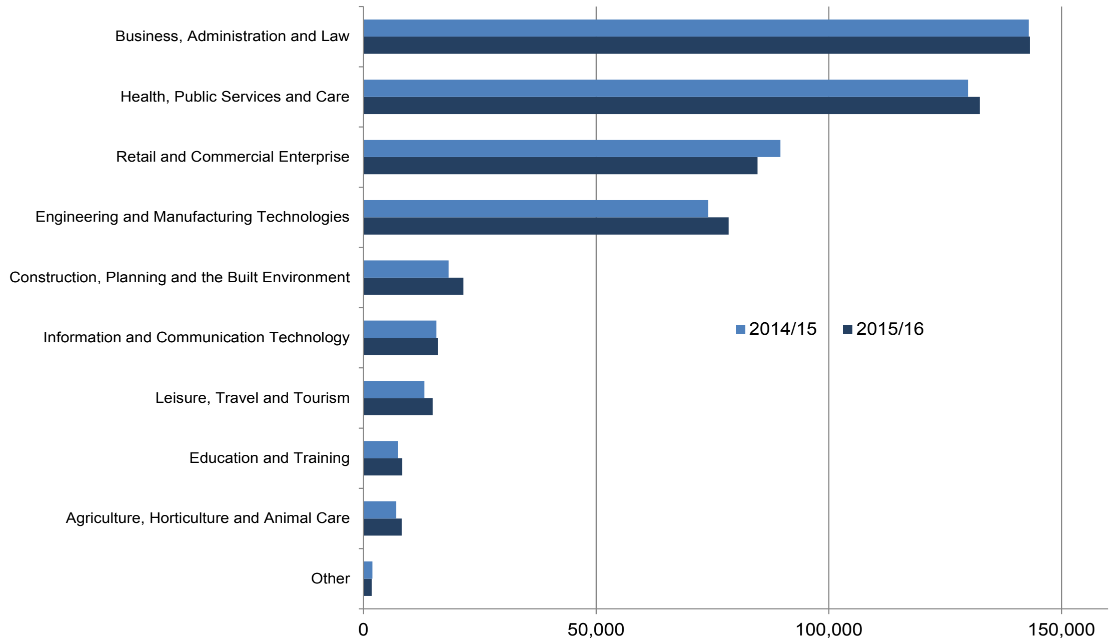
Apprenticeships—Level

"We recommend that the Government works with businesses and individual sectors to make a preliminary assessment of how the three million apprenticeships will be broken down by level and publishes the result of this work. While we accept that the Secretary of State did not want to be too prescriptive, the lack of this analysis reinforces the view that Ministers have not given enough thought to how different types of apprenticeships can best fill the skills gaps that exist."

We want apprenticeships to be available across all sectors and at all levels, including apprenticeships at Higher and Degree level. But this will be determined by employer demand.

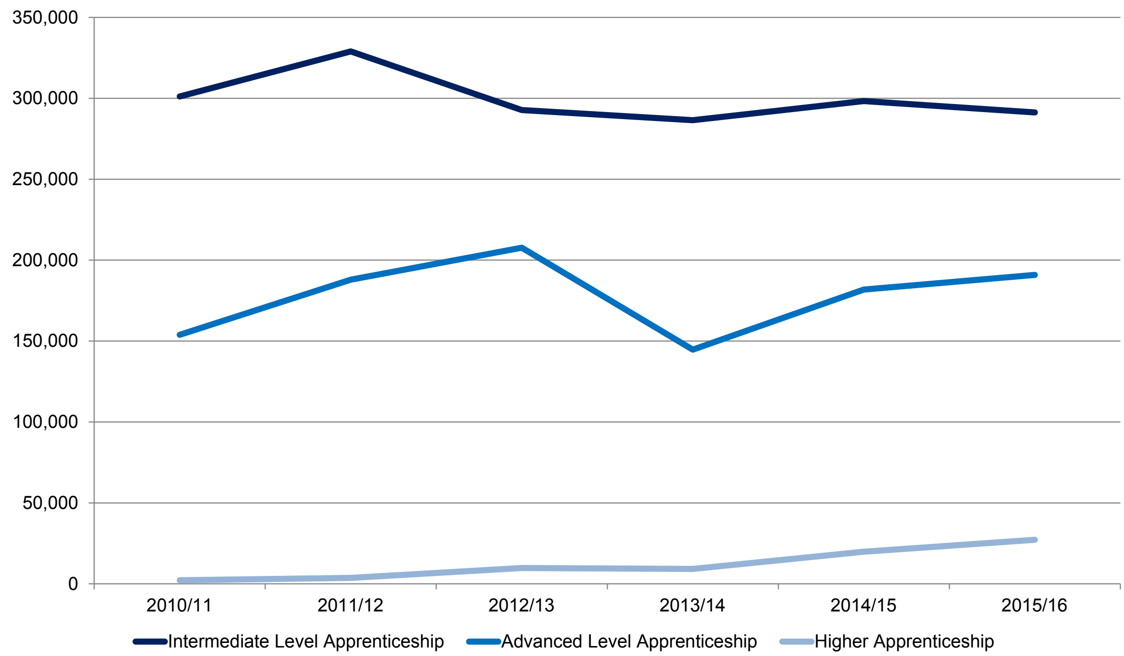
The Department for Education publishes detailed apprenticeships statistics – the latest figures are below:

Apprenticeship Starts by Sector Subject Area



*'Other' includes Arts, Media and Publishing and Science and Mathematics.

Apprenticeship Starts by Level



Internal analysis informed our decisions set out in *English Apprenticeships: Our 2020 Vision* about how and where our growth policies should be targeted. This analysis considered changes in apprenticeship volumes and overall employment; participation rates; and growth projections.

Apprenticeships—Levy

"We recommend that the Government consults with industry to ensure that the apprenticeship levy is implemented in such a way as to allow sectors to invest in skills through different qualifications and training methods applicable to their specific needs. We further recommend that the Government publishes the result of these consultations."

Since the announcement of the levy we have consulted extensively with industry, including a public consultation on the Apprenticeship Levy which received 700 responses. More recently, we have engaged with industry on the design of the funding policy. We asked employers for feedback on initial proposals so that the system works for them. We listened and adapted the policy as a result, and the Department for Education published the final policy for apprenticeship funding on 25 October 2016.

Our priority now is to ensure that the business community has the support and advice it needs in the coming weeks and months. Our focus is on ensuring the levy works for businesses of all sizes as they adapt and seize opportunities in the coming months. As one example, we have launched a popular interactive tool for employers to forecast their levy payments and how they could spend this on apprenticeship training. Almost 6,000 employers have already used this.

It is essential we press ahead. For decades no Government has adequately gripped the problem we have in this country – businesses invest too little in skills development and we need to do more to make sure every young person gets the opportunities they deserve.

We will continue to talk to employers as they prepare for the introduction of the apprenticeship levy, and the National Apprenticeship Service is there to help employers get ready. We are continuing to engage with a wide spectrum of employers, large and small, private and public, to ensure that they benefit from the opportunity to invest in apprenticeship training that suits their needs. We are doing this through face to face contact, round table meetings, webinars, and other events to ensure we implement a levy that meets employer needs. Investing in the skills of the future is essential for Britain. We need to get on with the job but will keep on talking to stakeholders so that we create a system that works for everyone. We will continue to work with employers and providers in the run up to implementation.

We also announced proposals for a new Register of Apprenticeship Training Providers (RoATP) – who should be able to provide apprenticeship training in England. From May 2017, levied employers will be able to choose a provider from a new register – RoATP. The new register will encourage diversity and competition in the provider market, supporting quality and employer choice.

Parity of esteem in education and training

"The Government's funding of FE and HE does not indicate a parity of esteem. We recommend that the Government does more to balance the perception of the benefits of College and vocational education against those of higher education, and should do more to promote both as attractive career paths and as good drivers of productivity. Vocational education is key to improving productivity and we recommend that the Government clearly outlines how it will ensure that this is recognised in terms of policy priority and funding streams. Achieving this will help to close the skills gap and the Government should publish a clear business-plan to achieve this. This plan should include tangible policies and measurable indicators of success."

The Government is already working towards this with three key measures.

In July 2016 the Government published a Post-16 Skills Plan which sets out how we will transform post-16 technical education in England. Our reforms are based on the recommendations of an independent expert panel, chaired by Lord Sainsbury, former Minister of Science and Innovation. The recommendations include simplifying the current system by replacing thousands of qualifications with 15 clear, high-quality technical routes to skilled employment, with standards being set by employers.

National Colleges, set up by employer-led partnerships, will work with other education providers to design and deliver specialist higher level vocational training at levels 4 – 6. This will bring skills to sectors which are critical to productivity and growth where there are recognised skills gaps.

Learners aged 19 and above will be able to apply for loans to fund courses at levels 3–6 providing a source of fee support for higher levels of vocational education. The Government recently completed a consultation taking views on introducing Further Education maintenance loans to support higher level learning in technical and professional education, particularly in specialist institutions.

Furthermore, the Government is currently engaging with stakeholders to test the concept of Institutes of Technology, which will offer high standard technical education at Levels 3 to 5, thereby addressing the skills needs of local and regional economies.

The Government is committed to rolling out many more degree apprenticeships which combine the best of apprenticeships with a degree, thereby offering a choice in the way people can get a degree. Success will be measured by our ability to meet business demand for high level skills.

Skills, students and visas

"We recommend that the Government does not allow migration pressures to influence student or post-study visa decisions. Specifically, it should relax the post-study visa restrictions."

The UK welcomes international students from across the globe, and we have an excellent post-study offer which allows international graduates to remain in the UK to take up graduate-level employment. If graduates apply to switch into the Tier 2 skilled work visa category from within the UK, the resident labour market test is waived and they are not subject to the annual limit on Tier 2 numbers.

The UK continues to be the second most popular destination for international students, with 10% market share, behind only the USA with 19%. A range of options are already open to students from outside the EEA who want to stay on and work in the UK once they have successfully completed their studies. Those with an offer of a graduate-level job, paying an appropriate salary, may take up sponsored employment through the Tier 2 route. There are over 28,000 employers which are licensed sponsors in the UK.

In addition, the Tier 1 route for graduate entrepreneurs was introduced in 2012, the first of its kind in the world. Those who have been identified by their higher education institution or the Department for International Trade can stay on for up to two years to develop their business in the UK before switching into Tier 2 or the Tier 1 (Entrepreneur) route.

We have also made provisions to switch into Tier 5 for graduates wishing to undertake a period of professional training or a corporate internship related to their qualifications, before pursuing a career overseas. Furthermore, PhD and other doctoral students can stay in the UK for an extra year, under the Tier 4 Doctorate Extension Scheme, to look for work or start their own business.

Investment in Research & Development

"We therefore recommend that the Government produces a 'roadmap' for increasing the total level of public and private R&D investment in the United Kingdom to three per cent of Gross Domestic Product."

Research and development (R&D) is a key driver of economic growth and is a vital part of the government's Industrial Strategy. Autumn Statement 2016 announced an additional £4.7 billion by 2020–21 in R&D funding. This extra £2 billion a year by the end of this Parliament is an increase of around 20% to total government R&D spending, and more than any increase in any Parliament since 1979.

This additional investment will include funding for the Industrial Strategy Challenge Fund (ISCF). The new ISCF will back priority technologies where the UK has the potential to turn strengths in research into a global industrial and commercial lead. This fund will be delivered by Innovate UK and the Research Councils and UK Research & Innovation (UKRI), when it is established. This investment will ensure research and innovation are at the heart of our Industrial Strategy. The proportion of the additional funding for research and development from April 2017 onwards that will be directed through the ISCF is currently being worked through. We will set out more detail on funding breakdown and proposals, including for wider consultation with the research and business community, in due course.

To ensure the UK tax system is strongly pro-innovation, the government also announced at Autumn Statement 2016 that it will review the tax environment for R&D to look at ways to build on the introduction of the 'above the line' R&D tax credit to make the UK an even more competitive place to do R&D.

Alongside this, we are providing the essential innovation infrastructure to help bring businesses and the research base closer together. We're not just protecting the Catapult network, but expanding the programme to support growth in the high-tech sectors where Britain excels.

The role of Business and Government in R&D

"We therefore recommend that the Government provides:

(1) *The clear rationale for moving R&D grants to loans.*

(2) *The modelling done with a clear statement that the Government expects this to result in more/same/less private investment in R&D.*

(3) *What proportion of current public investment in R&D it will convert R&D to loans from previous R&D grants.*

(4) *What proportion of R&D loans it expects to be repaid (i.e. the equivalent RAB charge in relation to student loans)."*

At Spending Review and Autumn Statement 2015, the Government announced the development of new finance products to support innovation, making available up to £165 million per year by the end of this parliament.

The Government continues carefully to consider how to further evolve the funding models for innovation. Part of this involves introducing new forms of finance which are intended to complement – and not replace – grant funding. Grant funding remains the largest and most important element of Government support for innovation particularly for earlier-stage, riskier innovations, and collaborative R&D projects. This has been underlined by the announcement at Autumn Statement 2016 of further funding for innovation and R&D (including the Industrial Strategy Challenge Fund), and earlier in 2016 by the announcement of a further £100m in grant funding through Innovate UK for the Biomedical Catalyst.

The Government has committed to simplify business innovation support and to make it more customer focussed. This means delivering a continuum of finance through the innovation cycle using appropriate instruments for businesses, which deliver the best innovation outcomes whilst providing value for money to the taxpayer.

There is strong evidence that a lack of available funding for innovative businesses at the right time is a barrier to productivity and growth. A recent study by the European Investment Bank identified that many key enabling technology firms struggle to obtain the finance they need.

We have engaged in in-depth extensive market research to understand the needs of innovative businesses of all sizes, and to understand their appetite for different financial products. Many of these businesses expressed a need for funding for later-stage innovations where grant funding is not suitable but the market is not yet ready to take a risk, or commercial finance is not available at acceptable terms.

We have spoken to a number of innovation agencies in other countries – including France, Finland, Spain and the Netherlands – all of whom use a variety of financial instruments to support innovation. We have learned from these approaches to help support, drive and encourage UK innovation.

We are currently focusing on development and delivery of an Innovation Loan product, whilst we continue to explore the potential role of other forms of finance in the innovation funding landscape.

In 2017 we intend to launch a pilot Innovation Loan programme, before rolling out at scale. Through the pilot period we will monitor and evaluate and potentially refine the products and their delivery to ensure that the programme delivers what is needed.

Protected sectors

"We welcome the certainty provided for aerospace and automotive sectors in maintaining grants and pushing them out until 2025, however we recommend that the Government provides the rationale behind selecting these two sectors and explains why not others."

The Government is developing an Industrial Strategy to boost productivity across the economy and deliver an economy that works for all.

The Government's approach is to create the conditions for winners to emerge and grow across the economy, while pragmatically addressing market failures. The aerospace and automotive sectors have unique characteristics that warrant the particular support being provided. These high-value sectors have large growth potential and the UK has a competitive advantage, but they face rapidly growing international competition while suffering from suboptimal business investment in R&D.

Government funding is targeted at areas where it will deliver most impact, supported by the Aerospace Technology Institute (ATI) and Advanced Propulsion Centre (APC), which were set up to provide strategic guidance to optimise the investment. In total, the Government and industry have together committed:

- £1.6bn from 2013–26 for automotive R&D
- £3.9bn from 2013–26 for aerospace R&D

Taken together, the aerospace and automotive sectors support 275,000 direct and 441,000 indirect high-value jobs; account for £4.4bn private sector R&D investment; and deliver over £51bn in exports. Moreover, the UK is a world leader in civil aerospace (the No1 in Europe) and according to business survey data, the UK automotive sector has the highest turnover per head in Europe.

This funding will help to secure future growth and productivity by unlocking private investment in R&D and capital and ensuring the UK can retain its competitive advantage in these sectors.

The Government and regulators provide tailored support to other sectors, including the regulatory sandbox for FinTech and through research and innovation grants, for example by spending over £250 million on the Biomedical Catalyst in the life sciences industry. BEIS have also established the Oil and Gas Authority as a fully empowered, independent Government Company, charged with regulating, influencing and promoting the UK oil and gas industry.

Access to finance

"The changing nature of the economy means that the new generation of entrepreneurs are still struggling with appropriate access to finance… The Government should provide more clarity than is in its Productivity Plan as to how it plans to address this market failure helping to match growth funding to firms with high growth and productivity potential."

As we noted in the Productivity Plan, ensuring firms can access finance is essential to enable entrepreneurs to launch and scale up a new or existing business venture.

The Government uses the tax regime to incentivise individuals to invest in early stage growth companies. The three main tax incentive schemes are:

- The **Enterprise Investment Scheme** (EIS) helps higher-risk small and growing companies, with £1.8bn of funds invested in 3,265 companies in 2014/15. It offers up-front income tax relief and capital gains tax exemptions.
- The **Seed Enterprise Investment Scheme** (SEIS) helps new early-stage companies raise up to £150,000 equity capital. A higher rate of tax relief is offered than under EIS to reflect the difficulties start-ups face in accessing seed finance. Since its introduction in 2012, SEIS has raised £433m in 4,775 individual companies, with £175m in 2014/15 alone.
- The **Venture Capital Trusts** (VCTs) scheme encourages individuals to invest through HMRC-approved funds, incentivised with income tax relief, capital gains tax exemptions and exemption of tax on dividends. In 2015–16, VCTs issued shares to the value of £435m and currently invest in over 1,000 companies.

In November 2015, age, investment and employee limits were introduced for EIS and VCTs. Limits for knowledge intensive companies were set at higher levels to offer greater support for innovative companies. This increased the total amount of investment knowledge intensive businesses can receive (£20m rather than £12m for others), the size of company that can benefit (up to 499 employees rather than 249 for others) and the age of company that can benefit (up to 10 years rather than seven for others).

Alongside tax incentive schemes, the British Business Bank, a government owned economic development bank, provides funds and guarantees to support high growth potential businesses in seeking finance. The Bank's aim is to change the structure of finance markets so that they work better for smaller businesses. Its programmes are supporting over £3.2bn of finance to over 48,000 smaller businesses, and participating in a further £4.4bn of finance to mid-cap businesses. These programmes are designed to bring benefits to businesses that are start-ups, businesses with high growth potential that are looking to scale up, and those looking to stay ahead in their market.

Below is a summary of the Bank's programmes:

- **Angel Co-Fund** – makes initial equity investments of between £100,000 and £1 million alongside syndicates of Business Angels who invest in early-stage companies. Its focus is on high growth, innovative businesses. So far around 60 small businesses have been supported with over £143 million of finance facilitated.

- **Enterprise Capital Funds (ECF)** – ECFs are funds made up of private and public sector monies, and make equity investments of up to £5m in early stage, high growth firms. This programme is a significant part of the UK venture capital industry, with 19 funds facilitating over £253m of funding to more than 180 SMEs as at the end of March 2016.

- **Venture Capital Catalyst Funds (VC)** – VC Catalyst Funds are also made up of private and public sector monies, but focus on slightly bigger investments of between £5m and £10m. As at the end of June 2016, the programme had committed over £83m of funding. At Autumn Statement 2016 the Government announced an additional £400m of funding to this scheme to unlock a total of £1bn of investment in late-stage VC funding rounds.

- **Help to Grow** – This programme will help smaller businesses displaying high growth potential but are struggling to raise sufficient senior debt, by supporting the provision of loans of between £0.5m – £2m with mezzanine style features. The first phase of the programme will aim to support more than £200m of lending.

In addition to these programmes, the British Business Bank is working alongside LEPs in the North West, Yorkshire & the Humber and Tees Valley to create a **Northern Powerhouse Investment Fund** of over £400m; and with LEPs in the Midlands to create a **Midlands Engine Investment Fund** of £250m. These investment funds will provide finance, including equity finance, to smaller business looking to scale-up in the specific regions in which they operate once they become operational.

Government will be looking to build on its progress with regard to access to finance issues as part of the Industrial Strategy.

In the latest developments, the Prime Minister announced that HM Treasury would lead a review of Patient Capital to identify and set out how to overcome obstacles to long-term financing for innovative firms. The review will be supported by an advisory panel led by Sir Damon Buffini.

Catapult Centres

"We recommend that the Government provides more specific detail on that increased funding and outlines how it will support them to maximise the benefits to businesses and the engagement with research centres and the collaborative benefits that catapult centres can have."

Government is committed to the Catapult network, which it will seek to strengthen and grow over this Parliament

The prioritised funding support, made available for the network at Spending Review and Autumn Statement 2015, will ensure the Catapults can focus on emerging opportunities and work ahead of the market in areas of high potential economic and social returns. Innovate UK will work with the Catapults to ensure that its programmes are aligned and provide integrated support for each sector.

Latest developments include the Compound Semi-Conductor Applications Catapult in South Wales, the Cell and Gene Therapy Manufacturing Centre in Stevenage, and the Graphene Applications Centre and the National Formulation Centre in the North East of England.

Innovate UK currently tracks the performance of the Catapult centres with three metrics:

- Near-term activity measures;
- Medium-term indicators; and
- Longer-term impact on the UK economy.

For onward reporting to BEIS, Innovate UK provides quarterly progress reports that capture the near-term activity and progress against the medium-term indicators in the approved five year delivery plans.

Longer-term impact will be tracked through a structured impact evaluation, which will be reported in published reports. Fieldwork for these evaluations will begin in 2017 and will measure the additional impact that the more established Catapults have had on the UK economy.

Management Skills

"Given that one quarter of the productivity gap between the UK and the US is associated with poor management we recommend that the Government does much more to address the management gaps in the economy among companies. To that extent, we welcome the new degree-level apprenticeship in professional management and we recommend that the Government provides detail about the content and expected number of apprenticeships that will be provided. However, this is such a significant issue that the solution will not be

found in one new course and we recommend that the Government, in its response to this Report, outlines what further steps it will take to raise the management capability within the economy."

Leadership and Management Skills make an important contribution to UK productivity growth and BEIS is conducting research to further understand this area. We are working hard to boost UK management capability through a number of measures.

BEIS is providing further funding for growth hubs to continue their high-quality support for small businesses in their local area. Up to £12 million will be made available in 2016–17 and in 2017–18 to embed growth hubs in every LEP area.

A degree level apprenticeship in Leadership and Management was approved for delivery in 2015. Leadership and Management Apprenticeships are being developed at lower levels and will provide a way for managers to get their skills recognised and progress to higher levels.

BEIS will provide £13 million of grant funding to a new Productivity Council to support firms' plans to improve their management skills by implementing Sir Charlie Mayfield's review of business productivity.

To deepen our understanding of the role of leadership and management, and to track indicative progress:

- BEIS is developing a body of research to further advance our understanding of how this area. For example, BEIS has published papers including 'Leadership and Management Skills in SMEs: Measuring Associations with Management Practices and Performance', and the 'Sociology of Enterprise'.
- BEIS conducts the Longitudinal Small Business Survey, which measures business growth, ambition and behaviours, including whether businesses are seeking to improve their leadership capability.
- BEIS monitors findings from new research and data. For example, ONS is conducting a pilot Management Practices Survey, following the US Census Bureau's survey of management practices. The pilot is surveying a sample of manufacturing firms to examine the feasibility of asking these survey questions in the UK. This survey is a part of wider developments in new research.

Supplementary table

Objective 1: An even more competitive tax system, bringing business and investment to Britain

Success metric:

- Headline corporate tax rate ranking compared to the rest of the G20.
  Joint first in the G20 (2016)
  Source: [Corporate tax rates table, KPMG]

No.	Commitment	Progress to date	Forthcoming implementation
1	Cut corporation tax to 19% in 2017 and then again to 18% in 2020.	Reduction of corporation tax to 19% in 2017 and to 18% in 2020 was legislated for in Summer Finance Act 2015. A further cut to 17% in 2020, rather than 18%, was legislated for in Finance Act 2016.	The 19% rate will take effect from 1 April 2017. The 17% rate will take effect from 1 April 2020.
2	Put the Office of Tax Simplification (OTS) on a permanent footing and increase its capacity and remit.	The OTS has been put on a permanent, statutory footing through Finance Act 2016. The legislation provides for an expanded OTS board and the ability to provide advice on simplification of the tax system as it considers appropriate, something it was previously unable to do. The government has increased the OTS's budget by nearly 50%, expanding its capacity with up to 10 full time employees, from 6 in the last Parliament.	Complete
3	Introduce into legislation a tax lock to rule out increases in the main rates of income tax, National Insurance, and VAT, over the course of this Parliament.	Legislated for in Summer Finance Bill 2015	Complete
4	Increase the personal allowance to £12,500 by the end of the Parliament.	The personal allowance will increase to £11,500 in April 2017.	By the end of the Parliament
5	Increase the higher rate threshold to £50,000 by the end of the Parliament.	The higher rate threshold will increase to £45,000 in April 2017.	By the end of the Parliament

Objective 2: Rewards for savings and long-term investment

Success metric:

- Real business investment as a share of GDP
  9.7% (2015)
  Source: ONS Second Estimate of GDP: Quarter 3 2016

No.	Commitment	Progress to date	Forthcoming implementation
6	Increase the permanent level of the Annual Investment Allowance to £200,000 from January 2016.	Legislation was introduced in Summer Finance Bill 2015 to increase the permanent Annual Investment Allowance limit to £200,000 from January 2016.	Complete
7	Complete a major review of business rates by the end of 2015.	The business rates review concluded at Budget 2016. The government announced £6.7bn worth of reductions in business rates over the next 5 years.	Complete
8	Publish a Business Tax Roadmap which will set out the government's plans for business taxes across the rest of the Parliament by April 2016.	The government's Business Tax Road Map was published in March 2016 alongside Budget 2016 and set out plans for business tax over the Parliament. At Autumn Statement 2016 the government recommitted to the Road Map and the principles it sets outs.	Complete
9	Stop companies obtaining a deduction from their taxable profits for the acquisition cost of assets linked to the business' reputation and customer relationships.	Legislation was introduced in Finance Bill 2015. The measure applies to accounting periods beginning on or after 3 December 2014.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
10	Consult on the case for reforming pensions tax relief to simplify the system and strengthen incentives to save for the long term.	The government consultation, '*Strengthening the incentive to save: a consultation on pensions tax relief*', showed that there is insufficient consensus on whether any model of pensions tax is better than the current one. The government concluded that it is currently not the right time to undertake fundamental reforms to the system, with the current economic uncertainty and the roll-out of automatic enrolment still underway.	Complete
11	Endorse proposals from some of the country's largest investors to support companies investing for long-term growth and challenge those that are compromising long-term competitiveness and productivity.	The Investment Association published its Productivity Action Plan on 22 March 2016. It includes a set of investor led actions designed to boost long term investment, and was welcomed by the government at Budget 2016. The Plan can found at: https://www.theinvestmentassociation.org/assets/files/press/2016/20160322-supportingukproductivity.pdf The Investment Association advocates encouraging firms to move away from quarterly reporting, improving the measurement and reporting of firm-level productivity and ensuring that long term incentives are incorporated into investment mandates.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
12	Engage with some of the country's most senior business leaders, led by Sir Charlie Mayfield, as they develop their proposals for improving business productivity.	Sir Charlie Mayfield's review of business productivity was published on 7 July 2016. It called for the creation of a business-led "Productivity Council" to help drive productivity improvements in UK businesses. The report can be found at: https://howgoodisyourbusinessreally.co.uk/ At Autumn Statement 2016 the government announced it will provide £13 million to support firms' plans to improve their management skills by implementing Sir Charlie Mayfield's review of business productivity.	Complete

Objective 3: A highly skilled workforce, with employers in the driving seat

Success metrics:

- Number of young people entering science, technology, engineering and maths (STEM) subjects at post-16.
  69,350 A level students entered 2 or more STEM subjects (2015/16 academic year)
  Source: A Level and other Level 3 results (2015/16)

- Percentage of 18 year olds in education, employment or training.
  88.6% (provisional figure for 2015)
  Source: Participation in education, training and employment: 2015

- Number of new apprenticeship starts since May 2015.
  624,700 (as of November 2016)
  Source: Further education and skills: statistical first release

No.	Commitment	Progress to date	Forthcoming implementation
13	Train an additional 17,500 teachers in STEM subjects.	In March 2015, the former Prime Minister announced a package of up to £67m to recruit 2,500 additional maths and physics teachers and to upskill 15,000 existing non-specialists over the term of this Parliament. Eight strands of activity have been designed and delivered over the last year by National College for Teaching and Leadership working with stakeholders in the sector.	Year 2 delivery plans are place for all strands. Evaluation findings will become available throughout 2016/17; all strands will reassess their delivery plans in light of the findings.
14	Encourage greater use of evidence on 'what works' – there remains significant scope for schools to make better use of evidence, such as from the Education Endowment Foundation (EEF).	The EEF continues to produce informative research on 'what works' to improve pupils' educational outcomes and to increase the uptake of research by teachers. It is trialling different approaches to helping schools and colleges engage with research evidence and will identify those which are most effective in changing practice.	The EEF will continue producing and disseminating 'what works' evidence, particularly through its teaching and learning toolkit. This provides an accessible and regularly updated summary of evidence on the effectiveness of different educational interventions, and is already used by 64% of senior leaders in secondary schools.
15	Open a further 500 free schools and ensure there is a University Technical College (UTC) within reach of every city.	During this Parliament the government has opened 124 new free schools, including 22 UTCs.	The government is making good progress towards opening at least 500 new free schools by 2020. We are on track to meet the commitment to have a UTC within the reach of every city. There are currently 48 UTCs open and a further 7 UTCs are in development which plan to open in 2017 and beyond.

No.	Commitment	Progress to date	Forthcoming implementation
16	Turn inadequate schools into academies and improve their leadership, as well as targeting coasting schools for improvement.	The Education and Adoption Act has now been commenced, delivering on the government's manifesto commitment to tackle failing and coasting schools. 136 academy orders have been issued to schools which have inadequate judgments, requiring them to become academies with a sponsor. Regional school commissioners will be able to take formal action in schools which meet the coasting definition once 2016 performance data is published in December 2016/ January 2017.	Complete
17	Make school funding fairer	At Spending Review and Autumn Statement 2015 the government committed to introduce a national funding formula for schools and for pupils with high needs. The first part of a two-stage consultation was launched in March 2016, covering the principles and building blocks of the formula. The government has published its full response to the first stage of the schools and high needs consultations.	The Secretary of State for Education has confirmed that the national funding formulae for schools and high needs would be introduced in 2018–19. The government launched a full consultation on the next stage of the proposals on 14 December 2016 and will make final decisions in 2017.

No.	Commitment	Progress to date	Forthcoming implementation
18	Focus efforts to support school improvement in underperforming areas, including coastal areas, encouraging the best academy chains to expand and bringing new sponsors where they are needed.	Progress on this commitment includes: • A new £140 million Strategic School Improvement Fund (SSIF) and a £50 million a year grant for local authorities, to ensure schools are able to access the improvement support they need. • The establishment of opportunity areas across England which will receive £60 million of funding to help local children get the best start in life through local partnerships. • Work (including the Regional Academies Growth Fund) by Regional Schools Commissioners encouraging our best schools to sponsor and provide support to local underperforming schools and our effective multi-academy trusts to grow sustainable.	More details on the SSIF, including criteria for bids and allocation mechanism, will be announced in due course. The Department for Education is working with partners in the first 6 Opportunity Areas to agree a delivery plan for each area. The government will soon announce further Opportunity Areas. The application window for the Regional Academies Growth Fund closes in late January 2017. Regional schools commissioners will prioritise applications that meet the specific needs in their region and of Opportunity Areas, where applicable.
19	Increase the quantity and quality of apprenticeships in England to 3 million starts this Parliament, putting control of funding in the hands of employers.	English Apprenticeships: *Our 2020 Vision* was published 7 December 2015 setting out the government's plans to increase the quality and quantity of apprenticeships. 624,700 Apprenticeship starts have been reported to date since May 2015 (Quarter 4 2014/15 – Quarter 4 2015/16).	The Institute for Apprenticeships will launch in April 2017. 3 million high quality apprenticeship starts will have been reached by 2020.

No.	Commitment	Progress to date	Forthcoming implementation
20	Employer routed funding reforms, such as the digital apprenticeships voucher, are putting control of funding directly into hands of employers.	Employer guidance for the Apprenticeship Levy has been published at: https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work The government's final funding policy for apprenticeship funding in England from May 2017 was published on 25 October 2016. https://www.gov.uk/government/publications/apprenticeship=levy-how-it-will-work/apprenticeship-levy-how-it-will-work	The apprenticeship levy and digital apprenticeship service will be implemented from April 2017.
21	Apprenticeships will be given equal legal treatment to degrees, to ensure that apprentices and employers can be given confidence in the brand.	Protection of the term apprenticeship was included in the Enterprise Act, which secured Royal Assent on 4 May 2016.	Complete
22	Abolish employer National Insurance Contributions for almost all apprentices under age of 25 from April 2016.	Exemption came into effect in April 2016.	Complete
23	Set apprenticeship targets for public sector bodies.	The Enterprise Act, which contains legal powers to set targets for public sector bodies, received Royal Assent on 4 May 2016. The government has completed a consultation on the scope of the public sector targets. The Civil Service has voluntarily set itself a target of 2.3% from the start of 2016.	The government will publish its response to the consultation on the public sector targets. The government intends for the targets to come into place in April 2017.

No.	Commitment	Progress to date	Forthcoming implementation
24	Introduce levy on large UK employers to fund the new apprenticeships.	Employer guidance for the Apprenticeship Levy has been published at: https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work The government's final funding policy for apprenticeship funding in England from May 2017 was published on 25 October 2016. https://www.gov.uk/government/publications/apprenticeship=levy-how-it-will-work/apprenticeship-levy-how-it-will-work	The apprenticeship levy and digital apprenticeship service will be implemented from April 2017.
25	Simplify and streamline the number of qualifications in professional and technical education.	The government appointed an independent panel, chaired by Lord Sainsbury, to make recommendations on a new system for technical education. The Sainsbury Report and the Post-16 Skills Plan outlining how the government will take forward the Report's recommendations were published on 8 July 2016. The government has introduced a Technical and Further Education Bill (currently before Parliament) to extend the remit of the Institute for Apprenticeships to cover technical education.	The government will publish further detail on how the reforms will be implemented in the new year (2017). The government intends to phase in the reforms proposed by the Sainsbury Panel, establishing a small number of 'pathfinders' for first delivery in 2019 and 2020.
26	Invite some colleges to become prestigious Institutes of Technology (IoTs).	The government is engaging with stakeholders to test the concept and identify any barriers. This has included working with interested parties to develop a number of prototype models as case studies to help inform the design and implementation of policy.	The government will announce the outcome of this process and details on next steps in the new year (2017).

No.	Commitment	Progress to date	Forthcoming implementation
27	Improve destination data to enable informed choices.	The performance tables Statement of Intent, published on 4 August 2016, confirmed that destination measures will be a headline performance measure in the 2016 key stage 4 and 16–18 performance tables. https://www.gov.uk/government/publications/school-and-college-performance-tables-2016-statement-of-intent The government has also published two Statistical Working Papers (on 4 and 31 August 2016 respectively). The first working paper showed how employment and benefits data has improved coverage of destination measures. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/543341/SFR34_2016_text.pdf The second working paper was a time series showing how the new data has improved previous destination measures publications. https://www.gov.uk/government/statistics/improvements-to-destinations-of-key-stage-5-students-time-series	The government has now used the data from the new Longitudinal Education Outcomes dataset, which links education data with employment and benefits data from HM Revenue and Customs and the Department of Work and Pensions, to help support people to make informed choices about their education and career options. The latest statistical publication release using Higher Education longitudinal education outcomes (LEO) data, was published on the 1 December 2016. This shows employment and earnings of higher education graduates broken down by graduate characteristic, subject studied and university attended. https://www.gov.uk/government/statistics/graduate-outcomes-by-degree-subject-and-university A further data release of subject studied within university attended is planned for spring 2017.

No.	Commitment	Progress to date	Forthcoming implementation
28	The new careers and enterprise company will encourage greater collaboration between schools, colleges and employers, helping young people to access the best advice.	The Careers & Enterprise Company (CEC) has made excellent progress. It has launched its nationwide Enterprise Adviser Network; its 'Careers and Enterprise Fund' to provide much needed support to those young people who need it most; and its mentoring fund to help extend the reach of mentoring programmes that support young people most at risk of not achieving their potential. The CEC has also published its analysis of where support is needed most and a toolkit of what works best; and made available a tool – Compass – to schools which assesses their careers provision.	The CEC will continue to roll out its Enterprise Adviser Network; build the evidence base to find out what works and where support is most needed; and deliver its programme to scale up the number of business mentors working with young people.
29	Invite local areas to participate in the reshaping and recommissioning of local provision.	A programme of locally-led area reviews commenced in September 2015, with local areas having the opportunity to shape local provision so that it is sustainable and meets local needs. Reviews are being done in five 'waves' across England.	Reviews in some areas have already concluded, generating recommendations for sustainable, positive outcomes for local provision. The government expects reviews to have taken place in all areas of England by spring 2017.
30	Enable local involvement in the ongoing commissioning of provision. Move away from the funding per qualification model for adult learners and, with input from local areas and employers, will develop options to ensure provision is targeted at training with the greatest impact.	The skills funding letter for the 2016/17 academic year and subsequent communications have set out how the government will be increasing local influence over skills funding and the changes which will be made in 2016/17 to facilitate that flexibility, including breaking the link between funding and qualifications.	The government will publish the skills funding letter for the 2017/18 academic year in early 2017, setting out plans for funding simplification and greater local influence. Budgets to the relevant combined authorities with respect to the adult education budget for the 2018/19 academic year onwards will be agreed by the end of 2017.

Objective 4: World-leading universities, open to all who can benefit

Success metrics:

- Entry rate of disadvantaged young people from the lowest participation neighbourhoods.
  19.5% (2016)
  Source: UCAS end of cycle report 2016

- Number of UK domiciled ethnic minority full-time undergraduate students in UK higher education institutions (HEIs).
  268,300 (2014/15)
  Source: Higher Education Statistics Agency

No.	Commitment	Progress to date	Forthcoming implementation
31	Increase the cash available to English students from low and middle income backgrounds.	For the 2016/17 academic year, cash support for new full-time students' living costs has been increased by £766 to £8,200 a year, the highest level ever for eligible students from low-income households. All new full-time students will receive at least 2.41% more living costs support in 2016/17 than in the previous year.	Complete
32	Maintenance grants will be replaced by maintenance loans for new students, paid back only when their earnings rise above £21,000 a year.	For the 2016/17 academic year, additional maintenance loan support has replaced maintenance grants for new full-time students. Loans will be paid back only when graduates earn above £21,000 a year.	Complete
33	Consult on freezing the repayment threshold at £21,000 for five years.	The consultation was completed and the policy was announced at Spending Review and Autumn Statement 2015. The threshold will be maintained at £21,000 until at least April 2021, when it will be reviewed.	Complete
34	Review the discount rate applied to student loans and other transactions to bring it into line with the government's long-term cost of borrowing.	The consultation was completed and the policy was announced at Spending Review and Autumn Statement 2015. It has now come into force.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
35	Introduce a new Teaching Excellence Framework (TEF).	The Higher Education White Paper[3] and Technical Consultation for TEF Year Two were published in 16 May 2016. The government published the response to the technical consultation and Year Two Specification in September 2016 and the Year Two application window opened in October 2016.	The Year Two application window will close in January 2017 and ratings announced in May 2017 TEF fee incentives for institutions will be introduced from autumn 2017.
36	Allow institutions offering high quality teaching to increase their tuition fees in line with inflation from 2017–18	The Higher Education White Paper confirmed the government's intention to allow providers offering high quality teaching (as assessed by the TEF) to raise fees in line with forecast inflation from 2017/18[4]. The government announced its package of annual changes to fees and student support for 2017/18 in a Written Ministerial Statement on 21 July 2016. The list of eligible providers for TEF Year One was then published on 1 September 2016.	The government plans to lay the secondary legislation to implement these changes to 2017/18 fees and student support shortly.

No.	Commitment	Progress to date	Forthcoming implementation
37	Remove barriers preventing alternative providers from entering and growing in the market, and adopt a risk-based approach that safeguards quality.	The Higher Education White Paper and the Higher Education and Research Bill have been published, setting out a long-term plan for doing this. Working on options to put in place a single regulatory framework. The government has reduced the time it takes new alternative providers to enter the market under the current system by removing application windows, and have reduced the level of reporting required from them in light of other monitoring measures.	Subject to passage of the Bill, the Office for Students (OfS) will take a risk based, appropriate and proportionate approach to regulation. This will enable and incentivise high performing, stable and reliable providers (including alternative providers) to start and grow, increasing student choice of high quality higher education. It will mean that institutions that pose little risk can spend more time focusing on doing what they do best and institutions that present a higher risk will undergo more scrutiny and be subject to more measures. The Bill requires the OfS to consult widely on the regulatory framework that it will operate, and for the Secretary of State for Education to lay that framework before Parliament.
38	Introduce a clearer and faster route to degree awarding powers.	The Higher Education White Paper and the Higher Education and Research Bill have been published, which will support delivery.	Subject to passage of the Bill, guidance on *"Degree Awarding Powers and University Title"* will be revised in light of Green Paper responses, the White Paper and the Bill. As set out in the White Paper, the government plans to reduce the track record requirement for full Degree Awarding powers from 4 to 3 years and to set this out in the revised guidance (expected to be published for consultation 2017).

No.	Commitment	Progress to date	Forthcoming implementation
39	Explore options to allow the best providers to offer degrees independently of existing institutions before they obtain degree awarding powers.	The Higher Education White Paper and the Higher Education and Research Bill have been published, which will support delivery.	Subject to passage of the Bill, guidance "*Degree Awarding Powers and University Title*" will be revised in light of Green Paper responses, the White Paper and the Bill. The new power in the Bill to vary Degree Awarding Powers is intended to be the vehicle to introduce 'probationary Degree Awarding Powers' to enable new high quality providers without a track record to award degrees without relying on an existing provider. The government expects this to be reflected in the revised guidance (expected to be published for consultation 2017).
40	Free up student number controls for the best alternative providers by introducing a performance pool of places from 2016–17.	The performance pool and other options for growth for high quality alternative providers predominantly offering degree level providers will continue into the 2017/18 academic year. Eligible providers can grow their Student Number Controls to up to 100 or by 20% (whichever is highest) and the best can grow by an additional 10%. This policy was extended to part time and distance learning providers from the 2016/17 academic year.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
41	Introduce income contingent loans for postgraduate taught Masters courses and PhDs.	The postgraduate master's degree loan scheme launched at the end of June 2016. Applications are open for students enrolling on courses for the 2016/17 academic year. A consultation on postgraduate doctoral loans was completed on 16 December 2016.	The government intends for postgraduate doctoral loans to commence in the 2018/19 academic year.

3 "*Success as a Knowledge Economy: Teaching Excellence, Social Mobility and Student Choice*" – https://www.gov.uk/government/publications/higher-education-success-as-a-knowledge-economy-white-paper

4 As was also set out in the government's manifesto and announced by the Chancellor in Summer Budget 2015

Objective 5: A modern transport system, with a secure future

Success metrics:

- The number of transport infrastructure projects and programmes in construction and completed.
  a) **51 transport schemes** from the National Infrastructure Pipeline were in construction in England as of April 2016.
  b) **8 Highways England and local major transport schemes** from the National Infrastructure Pipeline have been completed in England in this Parliament to December 2015.
  Source: National Infrastructure Pipeline: spring 2016

- Average minimum travel times to key services in England
  a) **17 Minutes by public transport/walking** (2014)
  b) **14 minutes by bicycle** (2014)
  c) **10 minutes by car** (2014)
  Source: Journey time statistics: access to services 2014

No.	Commitment	Progress to date	Forthcoming implementation
42	Vehicle Excise Duty (VED) will be reformed for cars registered from April 2017 to make it fairer for motorists and reflect improvements in new car CO_2 emissions.	Legislated for in Summer Finance Bill 2015. It applies to cars first registered from April 2017 onwards i.e. all existing cars registered before that date will remain in the current VED system.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
43	Guarantee that all revenue raised from VED in England from 2020–21 will be allocated to a new Roads Fund and invested directly back into the strategic road network.	The policy is complete. The government reaffirmed its commitment to the National Roads Fund at Autumn Statement 2016.	Complete
44	Develop a second Road Investment Strategy (RIS 2) for the period 2020–25.	The second Road Investment Strategy research phase is underway with work to gather evidence for potential priorities and investments, seeking the views of stakeholders, and incorporating the thinking of sub-national transport bodies.	The research phase is scheduled to last until the end of 2017. The second Road Investment Strategy should be finalised in 2019, allowing Highways England to mobilise for delivery to commence in 2020.
45	Sir Peter Hendy will report by autumn 2015 with a plan to get the rail investment programme back onto a sustainable footing.	The Hendy Report was published on 25th November 2015. The response to the government's consultation on the Hendy Report will be published in due course.	Complete
46	Ask Sir Peter Hendy and Mark Carne to continue with the work started in Network Rail to devolve more power to route managers closer to the front line.	The Shaw Report was published in March 2016. Network Rail published its transformation plan in July 2016, which includes plans for greater route devolution.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
47	Change the way public money is channelled through the industry, directing it through the train operating companies	The government set out in a public letter to the Office of Rail and Road in December 2015 its initial plans to improve transparency and incentives in the rail industry.	The government will continue to work with stakeholders on how it will carry out reforms in this area so that the final solution best meets the policy objective of improving and aligning incentives within the industry to ensure Network Rail focuses firmly on the needs of train operators, and, through them, passengers. This includes engaging with the Office of Rail and Road to inform their ongoing review ahead of price Control Period 6 (2019–24).
48	Introduce a new approach to station redevelopment and commercial land sales on the rail network.	The government established a Rail Estate Regeneration Working Group in order to consider a new approach to station redevelopment and commercial land sales on the rail network. The Working Group put in place a new agreement between Network Rail, the Homes and Communities Agency and Local Authorities to identify development opportunities across England's railway stations for housing and businesses.	Complete
49	Establish a dedicated body to focus on pursuing opportunities to realise value from public land and property assets in the rail network.	Network Rail has set up a property company to advise on disposals of land based assets and has developed a Disposal Strategy. The government is working with Network Rail to undertake detailed work and identify specific milestones and reporting processes.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
50	Asked Nicola Shaw to advise the government on how it should approach the longer-term future shape and financing of Network Rail.	The Shaw Report was published in March 2016. The government and Network Rail have been reviewing the Shaw Report's recommendations to determine which will be taken forward, and how. Network Rail published its transformation plan in July 2016.	Complete
51	Assess the Airports Commission's analysis and decide by the end of the year whether it agrees with that assessment and, if so, the best route for achieving planning consents and getting a new runway built.	In October 2016 the government announced a new north-west runway at Heathrow Airport as its preferred option to deliver airport expansion in the south-east. At this time the additional work undertaken since December 2015 to support a government decision was also published, including: further analysis on air quality, a further economic analysis and sensitivities report, a global comparison of mitigation measures, a Highways England assurance report, and the outcome of engagement between government and Heathrow Airport Limited.	A public consultation on a National Policy Statement will commence in the new year (2017) for members of the public and all interested stakeholders to have their say. A National Policy Statement sets out the planning policy which applications for nationally significant infrastructure projects must comply with in order to get planning consent. This is the quickest, simplest and fairest route to constructing a new runway.

Objective 6: Reliable and low-carbon energy, at a price we can afford

Success metrics:

- Impact of government policies on average annual household energy bills
  - **£90** (2014)
  Source: Policy impacts on prices and bills 2014

- Security of electricity supply
  National Grid was expected to need to use back-up balancing tools for 0.5 hours in 2016 to 2017 (Loss of Load Expectation)
  Source: National Grid Winter Outlook 2016/17

- UK greenhouse gas (GHG) emissions to date during the current Carbon Budget period
  1072 MtCO2e (total emissions for 2013 and 2014 combined)
  Source: 2014 UK greenhouse gas emissions: final figures – data tables

No.	Commitment	Progress to date	Forthcoming implementation
52	Aim to introduce 24 hour switching by the end of 2018, working with Ofgem.	Ofgem has established its switching programme, and the government has been working closely with them through the first phase of the programme.	Ofgem are planning on publishing the first solution design baseline document in the first quarter of 2017. Intense consultation with industry continues alongside solution design.
53	Reform the oil and gas fiscal and regulatory regime to maximise economic recovery from the UK Continental Shelf by driving down costs and increasing production efficiency.	On the 1 October 2016, the Oil and Gas Authority was vested as a fully empowered, independent government Company, charged with effective regulation and stewardship of the UK Continental Shelf. In addition, the Maximising Economic Recovery Strategy came into force in March 2016. March Budget 2015 and Budget 2016 introduced substantial fiscal reform for the sector. At Autumn Statement 2016, the government recommitted to Driving Investment, its long-term plan for the oil and gas fiscal regime.	The Oil and Gas Authority are working closely with industry to regulate, influence and promote the UK oil and gas industry. They are seeking to promote closer collaboration, drive efficiencies and revitalise exploration. The government, the Oil and Gas Authority and industry are also working together to reduce overall decommissioning costs to deliver savings for industry and the Exchequer.

No.	Commitment	Progress to date	Forthcoming implementation
54	Develop the shale industry, including through a sovereign wealth fund for communities that host shale gas development.	The government has been clear that shale development must be safe and environmentally sound. The Infrastructure Act 2015 has helped to simplify procedures which are costly and disproportionate for new methods of underground drilling, whilst ensuring that communities benefit and that the UK has a robust regulatory regime. In May 2016, North Yorkshire County Council gave planning permission for fracking at Kirby Misperton. In October 2016 the government decided to allow three planning appeals related to two proposed shale gas exploration and monitoring sites in Lancashire.	The consultation for the Shale Wealth Fund closed on 26 October 2016 and the government confirmed at Autumn Statement 2016 that local communities will determine how fund are spent in their areas. The government plans to respond fully shortly. The government will continue to ensure that shale exploration is developed safely and responsibly. Work will continue with industry and other stakeholders to identify remaining barriers to exploration and how these might be resolved, ensuring that developers communicate fully and effectively with communities.
55	Continue the long term decarbonisation of the UK's energy sector through a framework that supports cost effective low carbon investment.	The support framework for decarbonisation of UK energy consists of competitive contracts for difference to incentivise low carbon electricity generation (which has already delivered £105m savings c.f. what would have been spent in the absence of competition), the renewable heat incentive to promote the uptake of renewable heating, and a new capital fund to promote investment in low carbon heat networks.	In the Budget 2016, the government announced £730m for Contract for Difference (CfD) for less established technologies this Parliament, including £290m for the next auction to deliver continued cost reductions.

No.	Commitment	Progress to date	Forthcoming implementation
56	Ensure that EU energy policy supports affordable and secure energy for the UK, and that the European Commission's Energy Union package strengthens the single market, improves physical energy interconnections, encourages research and development, and supports cost-effective decarbonisation.	In February 2016 the Security of Supply Package was published with proposals for revision of the Gas Security of Supply Regulation and on Inter-Governmental Agreements in the energy field. In November 2016 the Commission published a "winter package" of legislative proposals on new electricity market design, renewable energy, energy efficiency and governance of the Energy Union	Negotiations are now underway on an Effort Sharing Regulation, EU Emissions Trading Scheme Phase IV, Gas Security of supply, and energy labelling. Negotiations on the winter package will commence in 2017. The precise relationship between the Energy Union and the affordability and security of UK energy supplies will depend on the future relationship between the UK and the EU.
57	Deliver a significant expansion in new nuclear power in the UK.	On 29 September 2016 the government, EDF and CGN signed a Contract for Difference for Hinkley Point C, the first new nuclear plant in the UK for more than 20 years. Hinkley Point C will provide 3.2 gigawatts of secure, low carbon electricity for 60 years, meeting around 7% of the UK's energy needs. Engagement with other new build developers (NuGen and Horizon) to progress conventional pipeline projects is ongoing. The first stage of Small Modular Reactor (SMR) competition received 33 eligible expressions of interest and structured dialogue with organisations has now taken place.	EDF remain committed to Hinkley Point C being first operational by 2025. Pipeline projects are on track for generation in the mid-2020s. New Ministers are considering the next steps on SMRs.

No.	Commitment	Progress to date	Forthcoming implementation
58	Conduct a review of business energy tax policy to improve and simplify the landscape.	Budget 2016 announced the government's response to the business energy taxation review. The government will: • close the Carbon Reduction Commitment (CRC) and move to one tax – the existing Climate Change Levy (CCL) – from 2019; • increase the CCL discount for Climate Change Agreement (CCA) participants from April 2019 and retain existing eligibility criteria until at least 2023; and • rebalance CCL rates for different fuel types. A review of the target and buy-out price for CCA schemes has now also been completed.	The government will consult on a simplified energy and carbon reporting framework in 2017.

Objective 7: World-class digital infrastructure in every part of the UK

Success metrics:

- Percentage of UK premises with access to superfast broadband
  92.2% (December 2016)
  Source: Think Broadband

- Percentage of UK premises with 4G coverage from at least one operator
  97.8% (August 2016)
  Source: Ofcom Official Statistics, Communication Market Report

No.	Commitment	Progress to date	Forthcoming implementation
59	Ensure superfast broadband (at least 24Mbps) is available to 95% of UK households and businesses by 2017.	Superfast Broadband (at 24 Mbps) has now passed the threshold of being available to 90% of households and businesses, with Broadband Delivery UK (BDUK) having delivered superfast broadband infrastructure to 4.02m homes and businesses up to the end of June 2016, as published on 25th August 2016.	Focus is now on meeting the 95% target by delivering additional superfast broadband infrastructure, through: a) existing contracts with suppliers; b) new procurements (see below) and; c) commercial rollout. On 26 May 2016 the European Commission published its decision to approve the UK broadband state aid scheme. This will allow BDUK to continue procurement activities for extending coverage with up to £500m of new public investment.
60	Support the market to deliver near universal 4G and ultrafast (at least 100Mbps) broadband coverage.	An important role for the government in supporting the market to deliver widespread connectivity is the creation of the right regulatory conditions for communications providers to invest. The changes being made to the Electronic Communications Code have a key role to play in doing this. The government is also making it easier for operators to deploy mobile and fixed broadband infrastructure, as set out below. This is in parallel to the licence obligation on O2 to deliver indoor 4G coverage to 98% of UK premises by end 2017.	At Autumn Statement 2016, the government announced over £1 billion to support the roll-out of full-fibre broadband connections and future 5G mobile, providing the fast, reliable broadband that is vital for businesses to compete and grow. In addition, the government is working with industry to explore additional ways to remove regulatory barriers that hinder commercial investment.

No.	Commitment	Progress to date	Forthcoming implementation
61	Extend permitted development rights to taller mobile masts in both protected and non-protected areas in England.	The government announced on 17 March 2016, via a Written Ministerial Statement, a package of reforms that will provide greater freedoms and flexibilities in England for the deployment of mobile communications infrastructure, including new rights to build taller masts. These have been implemented by the government through changes to the Town and Country Planning General Permitted Development (England) Order 2015 and through amendments to the Electronic Communications (Conditions and Restrictions) Regulations 2003. The reforms came into force on 24 November 2016.	Complete
62	Introduce legislation in the first session of this Parliament to reform the Electronic Communications Code.	The government response to the Electronic Communications Code consultation was published on 17 May 2016 setting out several key policy reforms for the Code.	The reform to the Code is included in the Digital Economy Bill which was tabled for first reading on 5 July 2016. The government expects the Bill to receive Royal Assent in spring 2017. The government continues to engage extensively with stakeholders to ensure the smooth implementation of the reforms.
63	Consult later this year on implementation of the EU Directive on measures to reduce the cost of deploying high-speed communications networks.	The government consulted on the implementation measures in November 2015. The Directive was then implemented on 31 July 2016. It is designed to reduce the cost of broadband deployment by enabling the sharing of passive infrastructure across utility, transport, and communications sectors.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
64	Consider making the 2013 planning relaxations supporting fixed high speed broadband infrastructure rollout permanent.	Results from a call for evidence last March and a review of the Broadband Cabinet and Pole Siting Code of Practice support making permanent a temporary relaxation of rules for installing fixed broadband infrastructure, in place since 2013.	The Digital Economy Bill will remove a sunset clause in the Communications Act 2003 ending the current provision in April 2018. This will enable changes to secondary telecommunications and planning legislation to ensure the provisions remain permanently in force after 2018.

Objective 8: High-quality science and innovation, spreading fast

Success metrics:

- UK business spend on research and development
  £20.9 billion (2015)
  Source: Business enterprise research and development 2015, Office for National Statistics

- The UK's position against comparator countries on top quality published research
  1st (2012)
  Source: International comparative performance of UK Research Base

No.	Commitment	Progress to date	Forthcoming implementation
65	Deliver on the science capital commitment, investing £6.9 billion in the UK's research infrastructure up to 2021.	12 business cases have now been agreed for projects identified in the Capital Roadmap. Of the further seven projects from the Roadmap, business cases for two are being redeveloped and two have been cancelled, due to overlaps with other projects approved from the science and capital consultation. The remaining three are still in development.	The government will deliver the Capital Roadmap and other fiscal announcements through development of sound business cases in conjunction with partner organisations' delivery plans by December 2020.
66	Ask Sir Paul Nurse to lead an independent review on how to ensure the UK's excellent science has a focus on those areas with the greatest potential, from genetics to quantum technology.	The Nurse Review is complete. Recommendations were published on 19th November 2015.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
67	Invite universities, cities, LEPs and business to work with government to map the strengths of different regions through a series of science and innovation audits.	The first wave Science and Innovation Audit reports were published on 3 November 2016. The announcement of the selected consortia for wave 2 and launch of the call for expressions of interest in wave 3 were made as part of Autumn Statement 2016.	The selection of wave 3 consortia is expected in spring 2017. The publication of the wave 2 reports is planned for summer 2017. The government will continue to work with universities, LEPs, cities, and businesses to help develop the evidence base of where local research strength, innovation capability and potential markets are aligned. They are an important contribution to our collective understanding of the strengths and opportunities of different regions as the government develops an Industrial Strategy that works for all parts of the United Kingdom.
68	Encourage universities to strengthen local collaboration wherever this will improve the efficiency and support the quality of research.	Universities UK (UUK) has established a working group as set out in the Diamond review into efficiency, effectiveness and value for money in Higher Education (the review was published in February 2015). The working group includes representatives from UUK, the Higher Education Funding Council for England (HEFCE), Research Councils UK (RCUK) and Jisc, and is drawing up a plan for the implementation of the Review's recommendations. In parallel, Jisc are proceeding with work on sharing infrastructure, including through equipment.data	The government has committed to work with UUK, RCUK and HEFCE to implement the recommendations of the Diamond review.
69	Introduce new Regius professorships	12 new Regius Professorships were announced on 6 June by the Minister for Constitutional Reform. Royal Warrants were issued to successful universities on 1 October 2016.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
70	Respond in full to the Dowling Review by the Spending Review, including on how to make it easier for business to find help and support from universities and government.	The Dowling Review has been very influential upon the government's thinking. Implementation of recommendations has begun and will continue as the government develops the Industrial Strategy and implements research and innovation landscape reform. For example, it has guided the approach to establishing UK Research and Innovation to make the science, research and innovation landscape more strategic, coherent and effective.	The government set out an initial response to the Review in the Higher Education White Paper and is developing a more detailed response, incorporating the Autumn Statement 2016 announcements on research and development.
71	UK universities will increase the income they earn from working with business and others to £5 billion per annum by 2025.	The HE–BCI Survey shows that relevant external income earned by universities from working with business and others exceeded £3.8bn in 2014–15.	Autumn Statement 2016 confirmed £100m in funding to 2020–21 to incentivise university collaboration in tech transfer and in working with business. Development of further actions to encourage business-university collaborations will be part of the broader development of the Industrial Strategy.
72	Confirm significant industrial support for specific science investments including £128 million in the UK Collaboratorium for Research in Infrastructure (UKCRIC) and Cities and £200 million industry funding from IBM to drive forward Big Data research at Hartree.	The business case for the UKCRIC has now been signed-off by Ministers. Funding for this project was confirmed as part of the allocations process following the Spending Review and Autumn Statement 2015 announcement.	UKCRIC is in discussion with potential industrial users and partners. The last of the interlinked National Laboratories conducting basic research will be operational by December 2019.

No.	Commitment	Progress to date	Forthcoming implementation
73	Improve UK business participation in Horizon 2020 to contribute to the drive to commercialise UK research	Innovate UK has put in place improved support structures to help UK businesses access Horizon 2020 programmes. Innovate UK now has more coordinated and coherent support which includes the National Contact Point experts, Enterprise Europe Network and Knowledge Transfer Network all being part of the help it provides.	UK businesses and universities should continue to bid for Horizon 2020 funds while we remain a member of the EU and the government will work with the Commission to ensure payment when funds are awarded. The Treasury will underwrite the payment of such awards, even when specific projects continue beyond the UK's departure from the EU.
74	Ensure that the means through which businesses access support through Innovate UK and sector specific funds, including the Aerospace Technology Institute and Advanced Propulsion Centre, is simplified and customer-focussed.	Innovate UK are in the process of establishing the simplified approach. They anticipate consolidating funding streams and offering an open programme of funding which would enable businesses from any sector to access support which meets their needs.	Innovate UK will deliver their 2016–17 Delivery Plan in full by March 2017. The Advanced Propulsion Centre is developing a "Hub and Spoke" environment to support the underpinning "innovation pipeline." The spokes are designed to provide access to the best expertise and facilities the UK has to offer in key strategic technologies. Six spokes have been announced to date with more to follow.
75	Use the Challenger Business Programme to identify and address barriers to expansion for early-stage disruptive businesses.	Over the last year, work with business and public bodies has focussed on drone technology, the synthetic biology sector and block chain applications. The government has consulted with industry experts, investors and innovators to identify future areas of engagement for the programme.	The government will complete at least four Challenger Business events in each financial year to end of 2019–20, assuming the programme continues to deliver effectively.

No.	Commitment	Progress to date	Forthcoming implementation
76	Look for opportunities to develop the UK's network of Catapult centres for commercialising technology.	The Catapult network continues to grow with a new Catapult announced in South Wales for Compound Semi-Conductor Applications. The government has established the Precision Medicine Catapult in Cambridge and the network has been further expanded with the establishment of a Medicines Discovery Catapult at Alderley Park in Cheshire.	The Compound Semi-Conductor Applications Catapult will be established in South Wales in 2017.

Objective 9: Planning freedoms and more houses to buy

Success metrics:

- Net additions to the housing stock
  189,650 (2015–16)
  Source: DCLG England

- Number of published and adopted local plans
  301 published local plans and 248 adopted local plans (November 2016)
  Source: Monitoring local plans

No.	Commitment	Progress to date	Forthcoming implementation
77	Ensure that local authorities put local plans in place by a set deadline to be confirmed by summer recess. The Secretary of State for Communities and Local Government will intervene for those local authorities that do not produce them, to arrange for local plans to be written.	Consultation was undertaken in February 2016 on proposed criteria to inform decisions on where to intervene in Local Plans and on the content for publishing local planning authorities' progress in plan-making. Responses are currently being considered.	The government will set out its position in the forthcoming Housing White Paper.
78	Bring forward proposals to significantly streamline the length and process of local plans.	The Local Plans Expert Group (LPEG) reported to Ministers on 16 March 2016. The government is considering responses to the LPEG.	The government is bringing forward a number of LPEG's recommendations through the Neighbourhood Planning Bill. Further details will be set out in the forthcoming Housing White Paper.

No.	Commitment	Progress to date	Forthcoming implementation
79	Strengthen guidance to improve the operation of the duty to cooperate on key housing and planning issues.	Proposals to strengthen guidance to improve the operation of the duty to cooperate are being considered alongside the consideration of recommendations made by the LPEG on streamlining local plans.	The government will set out its position in the forthcoming Housing White Paper.
80	Consider how policy can support higher density housing around key commuter hubs.	Consulted in December 2015 on proposals to amend National Planning Policy to encourage higher densities around commuter hubs. Consultation closed on 22 February 2016. Responses are currently being reviewed.	The government is considering responses to the consultation which will feed into the future revision of the National Planning Policy Framework.
81	Consider how national policy and guidance can ensure that unneeded commercial land can be released for housing.	Consulted in December 2015 on proposals to amend National Planning Policy to ensure unneeded commercial land can be released for housing. Consultation closed on 22 February 2016. Responses are currently being reviewed.	The government is considering responses to the consultation which will feed into the future revision of the National Planning Policy Framework.
82	Legislate to grant automatic permission in principle on brownfield sites identified on brownfield registers.	The Housing and Planning Act received Royal Assent on 12 May 2016. The Act contains powers to require local authorities to hold a registers of brownfield land and enables "permission in principle" to be granted to suitable housing-led sites allocated on those registers.	Regulations expected to come into force in spring 2017.

No.	Commitment	Progress to date	Forthcoming implementation
83	Consider the case for additional compulsory purchase reforms to further modernise the system, and bring forward proposals in the autumn.	Consultation paper of further reforms to the compulsory purchase system published 21 March 2016 (closed 15 May) can be found at: https://www.gov.uk/government/consultations/further-reform-of-the-compulsory-purchase-system.	Elements requiring primary legislation to be included in forthcoming legalisation. These are: • Temporary possession of land. • No-scheme principle and extension. • Repeal of Part 4 Land Compensation Act 1961. • Time limit for confirmation notices. • Compensation for disturbance (reform of the "*Bishopsgate*" principle). • Greater London Authority and Transport for London: joint acquisition of land. Other elements by secondary legislation.
84	Legislate to allow major infrastructure projects with an element of housing to apply through the Nationally Significant Infrastructure Regime (NSIP).	Section 160 of the Housing and Planning Act 2016, which received Royal Assent on 13 May 2016, enables the Secretary of State for Communities and Local Government to grant development consent for housing alongside a nationally significant infrastructure project.	Section 160 to be commenced once final guidance has been prepared and published.
85	Tighten the planning performance regime, so that local authorities making 50% or fewer of decisions on time are at risk of designation.	Implemented in in the fourth quarter of 2015 and designation decisions taken against this criteria in the first quarter of 2016 – no authorities were designated.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
86	Legislate to extend the performance regime to minor applications.	Legislation taken in the Housing and Planning Act 2016 to facilitate this. Two Statutory Instruments came into force on 21 October 2016 defining non-major applications as a category for designation.	Regulations and criteria document were laid in Parliament in autumn 2016 to define non-major applications as a category for designation and put in place the necessary thresholds for designation. A revised criteria document was laid on 22 November 2016 and is currently subject to Parliamentary scrutiny – the document puts in place the necessary thresholds for designation in the January 2017 designation round.
87	Introduce a fast-track certificate process for establishing the principle of development for minor development proposals.	Legislation taken in the Housing and Planning Act 2016 to facilitate this and consulted on the detailed design of how the permission in principle will operate in practice.	Secondary legislation to be taken forward in spring 2017.
88	Significantly tightening the 'planning guarantee' for minor applications.	The government is considering a package of changes to planning application fees which will require amendments to the fees regulations.	Intend to bring forward amending fees regulations at the earliest opportunity.
89	Repeat its successful target from the previous Parliament to reduce net regulation on housebuilders.	Cutting red tape review of housebuilding has been undertaken by the Better Regulation Executive with government support. This has looked at range of regulations affecting house builders. Report being finalised.	The Better Regulation Executive will report the findings for the review to the Housing Implementation Taskforce.
90	Introduce a dispute resolution mechanism for section 106 agreements.	Primary legislation forms part of the Housing and Planning Act. Technical consultation undertaken in 2015.	Regulations to be drafted. Delivery body to be appointed.
91	Allow the Mayor of London to call in planning applications of 50 homes or more.	Currently being considered.	Requires secondary legislation to be implemented.

No.	Commitment	Progress to date	Forthcoming implementation
92	Work with the Mayor of London to bring forward proposals to remove the need for planning permission for upwards extensions for a limited number of stories up to the height of an adjoining building.	Consultation on proposals to allow additional storeys to be added to existing buildings to provide new homes in London closed on 15 April 2016.	A consultation response will be published in early 2017.
93	Bring forward proposals to allow the future Mayor of Greater Manchester to produce Development Corporations, and promote Compulsory Purchase Orders.	These powers were granted through the Cities and Local Government Devolution Act 2016, which received Royal Assent on 28 January 2016. The first Greater Manchester Order has been laid in Parliament and includes provisions to enable the Mayor to make Compulsory Purchase Orders subject to the agreement of relevant Combined Authority Members. The ability of the mayor to designate Mayoral Development Corporations will be included in the following Greater Manchester Order and will be in place in time for the Mayoral elections in May 2017.	Complete
94	Deliver the commitment to get 200,000 Starter Homes built by 2020, at a 20% discount for young first time buyers.	The government has legislated for starter homes through the Housing and Planning Act 2016; and consulted on the details for the regulations. The government has also committed £1.2 billion to a Land Fund to ensure delivery of starter homes on brownfield sites that might not otherwise be developed. There was a good response to the call for partnerships in the Land Fund prospectus.	The government intends to announce the first wave of LA partnerships for the Starter Homes land fund and respond to the consultation on the Starter Homes regulations. The Housing White Paper will set out the government's future plans for housing.
95	Enable communities to allocate land for Starter Home developments, including through neighbourhood plans.	The government has consulted on this as part of the consultation on changes to the National Planning Policy Framework.	A consultation response will be published in early 2017.

No.	Commitment	Progress to date	Forthcoming implementation
96	Extend the same opportunity to buy to the tenants of housing associations through the Housing Bill, to be introduced in this session of Parliament.	Voluntary Right to Buy (VRTB) National scheme: Finalising parameters of the scheme with the National Housing Federation and Housing Associations. The Housing and Planning Act 2016 contains supporting legislation so that the voluntary agreement can work as intended. VRTB Pilot: As announced at Spending Review and Autumn Statement 2015, a small scale pilot is being run with five housing associations.	VRTB National Scheme: Currently engaging with the National Housing Federation and the housing association sector on implementing the Right to Buy Agreement. Further details will be announced in due course. VRTB Pilot: A further extended regional pilot of the Right to Buy was announced at Autumn Statement 2016, which will give around 3,000 housing association tenants the opportunity to buy their home with Right to Buy discounts.
97	Take further steps (at Spending Review) to re-focus Department for Communities and Local Government (DCLG) budgets, focussing on supporting low cost home ownership for first time buyers	The government committed £8bn to deliver 400,000 affordable homes, including Starter Homes and 135,000 homes for Shared Ownership at Spending Review and Autumn Statement 2015. The Shared Ownership prospectus was launched in April 2016 and Starter Homes Land Fund in March 2016. The government is also supporting a range of Help to Buy Schemes.	Complete
98	Restrict the tax relief on finance costs that landlords of residential property can get to the basic rate of tax.	This measure was legislated for in Summer Finance Bill 2015. There was then a technical amendment in Finance Bill 2016 to ensure it operates as originally intended.	The restriction will be phased in over 4 years, starting from April 2017.

Objective 10: A higher pay, lower welfare society

Success metrics:

- The National Living Wage as a proportion of median earnings
  56% (April 2016)
  Source: BIS annual report and accounts 2015 to 2016

- Forecast welfare spending within the welfare cap in 2021/22
  At Autumn Statement 2016 a new Welfare Cap was proposed for 2021–22 only, with a pathway for spending in prior years. Subject to ratification through the new Charter for Budget Responsibility, which was published alongside Autumn Statement and will be debated in Parliament, the new Welfare Cap will be formally assessed at start of the next Parliament.
  Source: Office for Budget Responsibility

No.	Commitment	Progress to date	Forthcoming implementation
99	Further reductions in the household benefit cap.	The Welfare Reform and Work Act 2016 received Royal Assent on 16 March 2016. The Act provides the powers to change the cap. Initial claimant notifications were delivered on 10 June 2016 with further notifications to be issued from 19 September 2016. Implementation forums are in place and we are delivering claimant support alongside external partners.	Implementation plans are under way with the lower cap taking effect from 7 November 2016 when regulations commenced. Arrangements are in place to monitor the progress in applying the revised cap.
100	A four year freeze in working-age benefits from 2016–17 to 2019–20 (except disability benefits and statutory payments).	The four year freeze of working-age benefits from 2016–17 to 2019–20 has been implemented through the Welfare Reform and Work Act 2016, which received Royal Assent on the 16 March 2016.	Complete
101	Reform tax credits (and its successor, Universal Credit) to focus support on families on the lowest incomes.	The government has legislated for the reforms through the Welfare Reform and Work Act 2016 and the Tax Credits (Income Thresholds and Determination of Rates) (Amendment) Regulations 2016. Reforms to the tax credits taper and threshold were reversed at Spending Review and Autumn Statement 2015.	Implementation began in April 2016 and will continue through the Parliament.

No.	Commitment	Progress to date	Forthcoming implementation
102	Limit support provided through tax credits to 2 children for new cases, and remove the Family Element in tax credits (also for new cases).	From 6 April 2017, the Child Tax Credit individual element will be limited to a maximum of two children (for new births) and the family element will be abolished for new families. These changes have been provided for in the Welfare Reform and Work Act 2016, which received Royal Assent on 16 March 2016.	A number of exemptions to the limit will be implemented in secondary legislation in time for April 2017.
103	Further Increases to the personal allowance to £11,000 in 2016–17.	Legislated for in Summer Finance Bill 2015	Complete
104	Legislate to ensure that once personal allowance reaches £12,500, it will always be set at least at the equivalent of 30 hours a week on the National Minimum Wage.	The government will meet its commitment to raise the personal allowance to £12,500 by the end of this Parliament. Once it reaches £12,500, it will then rise in line with the Consumer Price Index (CPI) measure of inflation as the higher rate threshold does, rather than in line with the National Minimum Wage.	The government will legislate in due course to ensure that the personal allowance is indexed by the CPI measure of inflation by default once it reaches £12,500.
105	Introduce a new National Living Wage (NLW) for workers aged 25 and above.	The NLW came into force on 1 April 2016.	Complete
106	Ask the Low Pay Commission to recommend a path for the new National Living Wage to reach 60% of median earnings by 2020.	The NLW came in to force on 1 April 2016. The hourly rate will be increased by 30p to £7.50 from 1 April 2017	Following amendments to regulations, the first uprate of the NLW will take place in April 2017.
107	From April 2016 the government will increase the National Insurance contributions Employment allowance from £2,000 to £3,000 a year.	Increase came into effect in April 2016.	Complete

Objective 11: More people with a chance to work and progress

Success metrics:

- UK employment rate
  74.4% (August – October 2016)
  Source: ONS Labour Market Statistics

- Employment rate for disabled people
  48.3% (Quarter 3 2016)
  Source: ONS Labour Force Survey

- Percentage of young people not in full-time education in employment
  76.0% (August – October 2016)
  Source: ONS Labour Force Survey

No.	Commitment	Progress to date	Forthcoming implementation
108	Introducing a new Youth Obligation for 18–21s on Universal Credit.	The government is developing a new Youth Obligation programme of support for 18–21 year olds making a new claim to Universal Credit full service (in the all work related requirement conditionality group).	The policy is on track for delivery in April 2017.
109	From April 2017, new claimants of Employment and Support Allowance (ESA) who are placed in the Work-Related Activity Group will receive the same rate as those claiming Jobseeker's Allowance, alongside additional support to help them take steps back to work.	The Welfare Reform and Work Act received Royal Assent March 2016. The government convened a stakeholder taskforce attended by members from disabled peoples' organisations to help inform the allocation of Summer Budget funding to support those affected by the change.	Regulations to deliver change from April 2017 are being developed and are on track for successful delivery. Additional support available to those affected by the change is currently being developed and will be delivered from April 2017.

No.	Commitment	Progress to date	Forthcoming implementation
110	From September 2017 onwards, the free entitlement to childcare will be doubled to 30 hours a week for working parents of three and four year olds.	The Childcare Act 2016 has successfully progressed through parliament and gained Royal Assent on 16 March 2016. Consultation on Local Authority delivery and regulations has now concluded, and draft regulations were laid on 7 November 2016. Following a thorough Review of Childcare Costs, published on 25 November 2015, £1bn of additional funding per year, by 2019–20, was allocated at Spending Review and Autumn Statement 2015. This includes £300m to fund the increased childcare provision base rate. The government undertook a consultation on early years funding during August/ September 2016, and the response to that consultation was published on 1 December 2016.	Work continues on the joint online application system for 30 Hours Childcare and Tax Free Childcare entitlements, and a trial of the system commenced with a selected number of parents in November 2016. The policy is on track for delivery in September 2017, with online application for parents being rolled out in spring 2017.
111	This extension of free hours will be implemented early in some local areas from September 2016.	A broad range of Early Implementer Local Authorities (LAs) were identified, with coverage across all LA clusters; these were announced on 2 February 2016. Eight successful Implementer authorities will deliver places for 5,000 children and 24 Innovator authorities will test delivery approaches, without providing places. A funding package has been agreed with all Early Implementer LAs. Early implementation commenced on 1 September 2016 with 75% of planned places now being delivered.	The government will continue engagement with Early Implementers in order to reach the target of 100% take up in second term, from January 2017.

No.	Commitment	Progress to date	Forthcoming implementation
112	From April 2017, parents claiming Universal Credit will be expected to look for work from when their youngest child turns 3, and to prepare for work when their youngest child turns 2.	The government has legislated for changes to the work expectations of parents with a youngest child aged 3 or 4 claiming Universal Credit through the Welfare Reform and Work Act 2016.	The policy is on track for delivery in April 2017.

Objective 12: Financial services that lead the world in investing for growth

Success metric:

- Investment in UK FinTech
  $1.1 billion (2015)
  Source: Innovate Finance

No.	Commitment	Progress to date	Forthcoming implementation
113	Asked the Governor of the Bank of England, working with HM Treasury, to initiate research to create better measurement of 'finance for productive investment.	The Bank has: • published a discussion paper on 8 April, as the first step in initiating research into understanding and measuring finance for productive investment. • held a conference on Finance, Investment and Productivity on 15–16 December 2016, which was attended by senior HM Treasury and Bank staff, and academics. • conducted a trial survey of business, via its Agency Network, to gather additional data to aid better measurement of how investment is financed.	• Bank researchers are carrying out a project on how productivity and leverage are related, and whether productive firms are more or less likely to be highly leveraged. • HM Treasury will follow up with the Bank on the business survey, and productivity and leverage research, to discuss their findings.

No.	Commitment	Progress to date	Forthcoming implementation
114	Support actively the European Commission's overarching initiative to create a Capital Markets Union (CMU).	The government has publicly supported the various milestones to date in CMU, including initiatives on venture capital reform, crowd funding and prospectuses. The government has positively engaged in negotiations on legislative files under CMU.	The government continues to engage with the various live initiatives in the CMU project. Ongoing initiatives include legislative proposals on corporate insolvency, prospectus rules, securitisation and venture capital fund legislation.
115	Promote the development of simple, transparent and comparable securitisation.	The European Commission made proposals for the regulatory treatment of simple and transparent securitisation in 2015. The Council of the EU's discussions were concluded at the end of 2015, with the UK instrumental in ensuring a quick pace to negotiations. Discussions in the European Parliament are underway.	The final package is expected to be agreed in 2017.
116	Continue to work to remove barriers to the development of a private placements market	The new withholding tax exemption for private placements announced at Autumn Statement 2014 has been put into place.	Complete
117	Support efforts to improve the Initial Public Offering (IPO) market, including reform of the Prospectus Directive.	The government expects the forthcoming Prospects Regulation, which is to replace the Prospectus Directive, to be beneficial for European IPO markets. It is currently under negotiation.	The government expects the adoption of the new Prospectus Regulation in 2017.
118	Catalyse a market-wide discussion of the costs and benefits of greater standardisation in corporate bond markets.	The European Commission has published a tender for a market study, examining the costs and benefits of greater standardisation. The Commission has also recently published a call for applications for an expert group to discuss the issue.	The government will continue to engage with the work of the Commission as it develops.

No.	Commitment	Progress to date	Forthcoming implementation
119	The Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) have agreed to establish a joint New Bank Unit to help new, prospective banks to enter the market and to support them through the early days of full authorisation.	The New Bank Start-up Unit was launched on 20 January 2016. Nine new banks have already been authorised this Parliament.	Complete
120	Launch an international FinTech benchmarking exercise in the autumn.	The results of the benchmarking exercise were published in February 2016 and demonstrated that the UK has 'a world-class FinTech ecosystem' and is ranked ahead of other FinTech hubs such as New York, Singapore and Hong Kong. This position has been reconfirmed by a recent Deloitte report[5], which ranked London and Singapore as the best two locations for FinTech in the world.	Complete
121	Issue remit letters to the PRA and FCA in order to highlight those aspects of government economic policy that are most relevant to the regulators' duties.	Remit letters for the FCA and PRA have been provided for in the Financial Services Bill which received Royal Assent in May 2016.	The government is aiming to publish the first remit letters for the FCA and PRA at an appropriate point after the relevant provisions of the Bill are brought into force. After this they will be published at least once per Parliament.
122	Asked both the PRA and FCA to publish Annual Reports on how they are delivering against their respective competition objectives.	The PRA published its inaugural Annual Competition Report on 4 July 2016. The FCA published its inaugural Annual Competition Report on 12 July 2016.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
123	Implement a long term plan for the taxation of banks, giving stability and sustainability and securing competitiveness.	In keeping with the long-term plan set out at the Summer Budget 2015, on 1 January 2016 a new 8 percent tax on banking sector profit was introduced, while the main rate of the UK bank levy was reduced from 0.21% to 0.18%.	The phased reduction of the Bank Levy rate will continue to a rate of 0.1% by 2021, while a change in its scope will mean that it will apply to UK activities from January 2021. This will result in a 25% rate of tax on bank profit – the lowest in the G7 – and a 0.1% levy on UK balance sheets.
124	Jayne-Anna Gadhia, CEO of Virgin Money, has agreed to lead a review into representation of women in senior managerial roles in the financial services industry.	The review was published on 22 March 2016. The recommendations from it have now become the commitments in the Women in Finance Charter, which 93 financial services firms have signed. Gender diversity targets set by signatory firms were published on the gov.uk website on 11 October.	Complete

5 https://www.finextra.com/finextra-downloads/newsdocs/fintech-hub-review-2016.pdf

Objective 13: Open and competitive markets with the minimum of regulation

Success metrics:

- ‘World Bank Ease of Doing Business’ ranking
  7th (2016)
  Source: Doing Business 2017

- Business savings delivered during this Parliament
  £885 million (May 2015 – May 2016)
  Source: Business Impact Target: First Annual Report 2015–2016

No.	Commitment	Progress to date	Forthcoming implementation
125	Consult on a new Strategic Steer to the Competition and Markets Authority which includes an increased focus on productivity and a commitment to innovation and encouraging new entrants.	The government response to the consultation and the new Strategic Steer were published on 1 December 2015. The new Strategic Steer places more of an emphasis on productivity and on removing the obstacles that prevent new, innovative business models from entering the market place.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
126	Review Trading Standards to ensure that consumer enforcement capability effectively supports competition and better regulation objectives.	The review has been subsumed into the Cutting Red Tape review of local authorities. Implementation is delayed pending the outcome of that review which will be published in early 2017.	The review will be concluded in early 2017.
127	Introduce and act on principles for consumer switching.	Improving the consumer landscape and quicker switching: call for evidence closed on 23 June 2016 and responses are being analysed. The Competition and Markets Authority launched a study into digital comparison tools, including price comparison websites, in September 2016.	The government will publish research on the role that trigger points can play in promoting switching shortly.
128	Launch a call for evidence on how to implement the principles for consumer switching.	Call for evidence: switching principles was launched on 22 October 2015.	Complete
129	Legislate to support quick and easy switching in communications markets.	The government has produced a clause on switching in communications markets for the Digital Economy Bill. This clause clarifies Ofcom's power to reform the processes by which consumers can switch telecoms provider. The government has discussed the clause with major stakeholders in the telecoms sector, including internet service providers, mobile network operators and the consumer group Which?.	The Digital Economy Bill, which is currently before Parliament, will make it easier for consumers to switch by requiring communications providers to follow any new procedures set by Ofcom when customers wish to change provider. The government expects the Bill to receive Royal Assent in spring 2017.

No.	Commitment	Progress to date	Forthcoming implementation
130	Require departments to work with regulators to publish Innovation Plans by spring 2016.	The focus on Innovation Plans has provided an impetus for regulators to take a fresh look at innovation both internally and externally, and to share best practice. Departments have supported regulators in as they develop their Plans and have provided constructive challenge to regulators to strengthen their plans. Some departments and regulators have already published details of their commitment to innovation through corporate plans, such as the Human Tissue Authority (see: https://www.hta.gov.uk/hta-business-plan-2016-17/part-two-how-we-work-others/innovation-and-regulation)	Regulators are finalising their Plans. The government is aiming to publish regulators' Innovation Plans early in 2017.
131	Launch an Emerging Industry Action Group for the sharing economy	The government has set up this Action Group for the sharing economy with 20+ members from across the sector to explore issues like insurance, data and trust, regulation and tax compliance.	Complete
132	Publish a Digital Transformation Plan by autumn 2015.	The government is developing a cross-government Digital Strategy, setting out how the government will realise the benefits of a digital economy for business, society, and government.	The government continues to work on its Digital Strategy and its key components will be announced in due course, including through a strong digital element in the Industrial Strategy.
133	Launch the Cutting Red Tape programme to help deliver the target of cutting at least a further £10 billion of red tape on business.	The government launched the Cutting Red Tape Programme on 16 July 2015.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
134	Legislate through the Enterprise Bill to extend the government's target for cutting red tape to cover the activities of regulators.	The Enterprise Act received Royal Assent in May 2016, enabling the target to include regulators.	Complete
135	Introduce a new employer-designed degree apprenticeship in Leadership and Management to boost the capabilities of future business leaders.	The Chartered Manager Degree apprenticeship has been approved by the government and has been launched.	Complete
136	Propose that new income contingent loans for postgraduate taught masters' students are also made available to contribute to the costs of an MBA.	Postgraduate Master's loans successfully launched on 27 June 2016 are available to students studying for an MBA.	Complete
137	Help new and existing challenger banks to inject fresh competition in the market, including through the British Business Bank.	The British Business Bank is continuing to support competition in the market, in particular through its Investment Programme and ENABLE programmes. Also, the Competition and Markets Authority's Report on the barriers to entry and growth in the retail banking market was published on 9 August 2016.	The British Business Bank will place at least 75% of its support through providers other than the four largest banks. For example, it is in talks with challenger banks to become accredited partners for its Help to Grow and Enterprise Finance Guarantee programmes. The government is working with the Competition and Markets Authority to implement the recommendations made in their report.

Objective 14: A trading nation, open to international investment

Success metric:

- Number of additional British companies exporting compared to 2010
  40,600 (2015)
  Source: Annual Business Survey

No.	Commitment	Progress to date	Forthcoming implementation
138	Conduct an internal review of expenditure across departments that supports the government's prosperity objectives.	Review of existing expenditure conducted in summer 2015, which provided evidence for Spending Review and Autumn Statement 2015 outcomes.	Complete
139	Remodel its delivery on trade, exports, investment and prosperity.	In January 2016 the government announced a whole of government approach to exports and investment. The Department for International Trade (DIT) has begun concentrating its resources on the markets and sectors in which the UK is or can be a strong competitor. The cross-Government Prosperity Fund has also been set up to promote the economic reform and development needed for growth in partner countries.	As part of DIT, International Trade and Investment (ITI) has been rolling out a new operational model over the course of 2016 and early 2017. In addition the government has launched a ground-breaking new digital platform, GREAT.gov.uk, which will support thousands of businesses to access trade advice, live export and investment opportunities and signpost the best support from partners. Together this work is leading to a big increase in the volume of British goods and services being sold overseas, and the number of businesses reaching customers in other countries for the first time.
140	Continue to double support to UK firms in China	The uplift of DIT resources in China has been completed. This has resulted in a doubling of DIT resource dedicated to China.	The focus continues to be on driving up export value and inward investment in China across 19 key sectors.

No.	Commitment	Progress to date	Forthcoming implementation
141	Identify and create opportunities for UK firms in markets like China, India and Brazil including by using the annual Economic and Financial Dialogues' (EFDs) focus on financial services and infrastructure	The UK–China EFD (November 2016) advanced cooperation on financial services and infrastructure, including measures to: prepare implementation arrangements to connect stock exchanges; boost London's position as the western RMB hub; increase market access for UK firms in China; support Chinese financial institutions in the UK; and boost cooperation on infrastructure in the UK, China and third markets. The UK–India EFD (January 2016) and UK–Brazil EFD (October 2015) both delivered agreements on infrastructure; masala bonds; a fund with India; and a taskforce with Brazil.	Next China EFD expected in the second half of 2017. The continued focus will be delivering commitments from previous EFDs, particularly on financial services and infrastructure. Next India and Brazil EFDs expected in early 2017. Focus will include: making London the global centre for 'masala' bond issuance; continuing to support investment into Indian infrastructure; FinTech; green finance; and creation of the UK–Brazil Infrastructure Taskforce.
142	The British Business Bank will work with UK Export Finance to review the access to finance challenges facing SMEs looking to export.	The review is complete. Outcomes of the review are: • British Business Bank are developing a European Investment Fund (EIB) Innovfin Term Loan variant of its Help to Grow programme, specifically to support finance for exporters. • First Help to Grow transaction was announced in May 2016. This is the first step in the process of announcing future deals and variants.	Complete
143	Consult on opportunities through increased export finance to improve competition to solve development problems in Low Income Countries, including a potential Concessional Export Credit Facility.	A public consultation on the demand for and potential impact of a concessional export credit facility has taken place, and closed at the end of 2015. Analysis is ongoing to determine if a concessional export credit facility, compliant with relevant UK legislation and OECD–DAC guidelines, would increase competitiveness and represent Value for money (VfM) use of the aid budget.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
144	Pursue further trade liberalisation, working to conclude key trade agreements where negotiations are already underway (such as the EU–US Free Trade Agreement), and initiate negotiations with key trading partners where they are not.	While the UK is still a member of the EU, the government has been continuing to champion free trade in the EU and played a role in helping to conclude EU trade agreements (such as CETA) and in initiating EU trade negotiations.	This commitment pre-dates the referendum on the UK's membership of the EU. This is now therefore subject to discussions about the UK's relationship with the EU. The government is working to deliver a smooth transition out of the EU which minimises disruption to our trading relationships. The government is considering the best way to build on existing trade relationships with our partners, as well as the best way to update the terms of our World Trade Organisation (WTO) membership as we exit the EU. Once we have left the EU, the UK will continue to be a vocal advocate for further trade liberalisation as an independent WTO member.
145	Secure agreement to reforms that will complete the single market in goods and services.	The government has been participating in discussions about reform of the single market.	Subject to discussions about the UK's relationship with the EU.

Objective 15: Resurgent cities, a rebalanced economy and a thriving Northern Powerhouse

Success metrics:

- The number of devolution deals being taken forward
  8 devolution deals (December 2016)

- The number of Enterprise Zones established
  36 Enterprise Zones (December 2016)
  Source: Enterprise Zones

- The number of transport infrastructure projects and programmes in construction and completed outside of London and the South East
  a) **37 transport schemes** from the National Infrastructure Pipeline were in construction in England outside of London and the South East as of April 2016.

  b) **7 Highways England and local major transport schemes** from the National Infrastructure Pipeline have been completed in England outside London and the South East in this Parliament to December 2015.

  Source: National Infrastructure Pipeline: spring 2016

No.	Commitment	Progress to date	Forthcoming implementation
146	Invited major cities to come forward with proposals to elect a mayor and take greater control and responsibility over all the key things that make a city work.	The government has received a number of proposals from regions across England. Multiple devolution deals have been agreed. All bar one of these will include the establishment of Combined Authorities led by directly elected mayors (the exception being Cornwall).	The government will continue to support Mayoral devolution deal areas.
147	Further progress in devolving powers to Greater Manchester.	Four devolution deals have been agreed, on top of the agreement to give Greater Manchester control over its £6bn health and social care budget. At Autumn Statement 2016 the government agreed to extend wider borrowing powers to combined authorities with elected mayors, including Greater Manchester. The government will also transfer the budget for the Work and Health programme to Greater Manchester subject to meeting certain conditions.	The order creating the Mayor was approved in March 2016. The first order devolving the first tranche of powers was laid on 21 November 2016. A further order is to follow in the new year (2017).

No.	Commitment	Progress to date	Forthcoming implementation
148	Consult on devolving powers on Sunday trading to city mayors and local authorities.	Consultation closed on 16th September 2015.	Complete
149	Working towards further devolution deals with the Sheffield City Region, Liverpool City Region and Leeds, West Yorkshire and partner authorities.	Multiple devolution deals have been agreed. All bar one of these will include the establishment of Combined Authorities led by directly elected mayors (the exception being Cornwall).	The implementation of these deals, including the establishment of the necessary legislation to enable the election of Mayors in May 2017, are a priority for the government, with the required legislation complete for the creation of mayoral combined authorities in Greater Manchester, Liverpool City Region, Sheffield City Region, the West Midlands and Tees Valley. Orders devolving powers are being prepared.
150	Significant transport devolution in all of the country's city regions that elect a mayor. Devolve far reaching powers over transport to the North's mayor-led city regions.	Draft Orders have been prepared to implement the devolution deals including enabling Mayoral Combined Authorities to take up transport powers. Orders for the deals are being progressed with transport content in each one particularly around consolidated transport funding pots, buses, local transport planning and local highway reform.	The Bus Services Bill is now in Parliament and will give franchising powers to mayors. The Orders are being prepared to be ready before Mayoral elections in May 2017. Autumn Statement 2016 also referred to further discussions with Greater Manchester on devolved transport funding, and a further devolution deal with West Midlands. The government will hold further negotiations on this in the coming months.
151	Establish Transport for the North (TfN) as a statutory body with statutory duties, underpinned by £30m of additional funding over three years.	The commitment of £30m over three years was increased to £50m over five years at Spending Review and Autumn Statement 2015.	The government is working to secure Parliamentary approval (via secondary legislation) to put Transport for the North on a statutory footing by the end of 2017.

No.	Commitment	Progress to date	Forthcoming implementation
152	Appoint by the autumn an interim Chief Executive and executive team for TfN to accelerate TfN's work programme, and appoint a Chair by the end of the year.	In November 2015 John Cridland was appointed Chair of TfN and David Brown was appointed as the body's Chief Executive. TfN's Executive Team is now in place.	Complete
153	Work with TfN to advance the introduction of Oyster-style smart and integrated ticketing systems.	Spending Review and Autumn Statement 2015 provided £150million for TfN to roll out Smart North ticketing.	The government has given funding approval to enable Transport for the North to develop proposals for Smart North Delivery. Further work is to be undertaken to explore options for delivery in light of the Secretary of State for Transport's announcement on national rail smart ticketing.
154	Push forward plans to transform east-west rail and road connections via TransNorth and options for a new TransPennine Tunnel.	**Rail**: Transport for the North and the government published an update on the options under development in March 2016. **Roads**: The government has provided development funding for three strategic road studies in the North: the A66/69, the M60 NW quadrant, and the TransPennine Tunnel.	**Rail**: Next steps on east-west rail connections will be announced in the new year (2017). **Roads**: The three northern road studies were published alongside Autumn Statement 2016. The government committed to deliver the M60 NW quadrant and the dualling of the A66 in RIS 2. The A69 will be upgraded using the strategic roads pinch-point fund, and the government will continue to consider the options for TransPennine routes.
155	Giving cities the ability to invite colleges to become specialist Institutes of Technology (IoTs)	The government is engaging with stakeholders to test the concept and identify any barriers. This has included working with interested parties to develop a number of prototype models as case studies to help inform the design and implementation of policy.	The government will announce the outcome of this process and details on next steps in the new year (2017).

No.	Commitment	Progress to date	Forthcoming implementation
156	Encourage universities to strengthen local collaboration, to be recognised through funding streams such as the Research Partnership Investment Fund.	HEFCE-funded higher education institutions were invited to submit expressions of interest for funding from the UK Research Partnership Investment Fund from December 2015 – April 2016. This extended the scale of projects eligible to apply for support in order to address societal challenges and included additional factors to encourage collaborations across HEIs, such as locally built on research excellence.	Announcement of outcome of Round 5 bids and announcement of next Round of UKRPIF in spring 2017.
157	Invite Local Enterprise Partnerships (LEPs) to bring forward bids for a new round of Enterprise Zones.	A bidding round was held in 2015 with all LEPs able to apply. The successful new Zones were announced at Spending Review and Autumn Statement 2015 by the Chancellor. The regulations for the new Zones came in to force in spring 2016.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
158	Provide £5 million of funding to the Midlands Connect partnership to further develop a transport strategy for the Midlands.	The government has provided the Midlands Connect Partnership with £5million to support the development of the Midlands Transport Strategy by March 2017. The government is providing support and advice to the Midlands Connect Partnership team in developing their strategy, and facilitating meetings between the Partnership on key government priorities (Roads, Rail and HS2) to raise the profile of their work and improve common understanding.	The Emerging Strategy was published on 15 December 2016. The Emerging Strategy updates the economic case for investing in the Midlands following work done on identifying the barriers to growth in the region and sets out a short-list of transport interventions Midlands Connect have identified to enhance connectivity. This is intended to be a foundation to the more substantive Transport Strategy which will set out their key prioritised transport schemes supported by business cases. Midlands Connect is on track to have developed the Midlands Transport Strategy by March 2017. Midlands Connect is also working closely with the government to develop its work plan beyond March 2017.

No.	Commitment	Progress to date	Forthcoming implementation
159	The Secretary of State for Environment, Food and Rural Affairs (Defra) will launch a new '10 Point Plan' for rural productivity.	In August 2015, the Defra Secretary of State and Chancellor of the Exchequer launched the 10-point plan for boosting rural productivity, setting out government's actions to increase productivity in England's rural areas. The actions are organised around five headings: • rural areas fully connected to the wider economy; • a highly skilled rural workforce; • strong conditions for rural business growth; • easier to live and work in rural areas; • greater local control.	Complete
160	Encourage towns and districts within rural areas to work with LEPs on producing bids to become an Enterprise Zone (EZ).	A bidding round was held in 2015 with all LEPs able to apply. Applications for Zones in smaller towns and rural areas were particularly encouraged. Across all the bidding rounds there have been a total of 18 successful bids for Enterprise Zones in rural areas and/or smaller towns. These include bids for zones in the North East, Buckinghamshire Thames Valley, Dorset Green, New Anglia, Cornwall and Isles of Scilly, Greater Cambridge and Greater Peterborough, Cheshire and Warrington, Enterprise M3 and Heart of the South West.	Complete
161	Review the current threshold for agricultural buildings to convert to residential.	The Call for Evidence for the review of the current threshold for agricultural buildings to convert to residential, contained within the government's Rural Planning Review, closed on 21 April 2016.	The responses to the Call for Evidence are being considered. A decision will be taken shortly on whether to consult on changing the thresholds, in support of rural housing.

No.	Commitment	Progress to date	Forthcoming implementation
162	Work with local partners and the Scottish and Welsh Governments towards City Deals for Cardiff, Aberdeen and Inverness.	The government announced city deals for Cardiff, Aberdeen and Inverness earlier this year. Officials are working with colleagues in the Scottish and Welsh governments and local partners to implement these deals.	Complete
163	Fund the upgrade of the Swansea–London mainline	The Swansea–London mainline upgrade is intended to be delivered during Control Period 6.	This project will be subject to the Control Period 6 planning process.
164	Pay almost half of an estimated £500 million to electrify the Valley lines.	The Hendy Report reiterated that the government will provide £125 million to the Welsh government. However, the decision on whether to proceed with this project rests with the Welsh Government.	Complete
165	Devolve corporate tax rate-setting powers in Northern Ireland (NI).	The government legislated for potential devolution of corporation tax powers to the NI Assembly in 2015.	Work continues between the UK Government and NI Executive on the administrative arrangements which could support implementation. The decision to permit the NI Executive to set a new NI rate is dependent on the NI Executive continuing to demonstrate progress towards sustainable finances.

Other measures

No.	Commitment	Progress to date	Forthcoming implementation
166	Professor Sir Charles Bean has agreed to lead an independent review of the quality, delivery and governance of UK economic statistics.	Professor Sir Charles Bean published his independent review of UK economic statistics on 11 March 2016. The government accepted all the recommendations in his report and committed £10m for a new hub for data science and a centre for excellence in economic measurement at Budget 2016. The independent Office for National Statistics has welcomed the recommendations and are making progress against plans to implement.	Complete
167	Publish a new long-term National Infrastructure Plan. This will be supported by annual updates on progress with delivery.	The government published the National Infrastructure Delivery Plan on 23 March 2016. It focuses on period 2016–2021 – the National Infrastructure Commission will focus on longer term needs.	Plan to start publishing annual delivery updates beginning in 2017.
168	Publish a dedicated National Infrastructure Plan for Skills.	The government published a National Infrastructure Plan for Skills in September 2015. The Transport Infrastructure Skills Strategy was published in January 2016, using analysis from National Infrastructure Plan for Skills.	Complete
169	Introduce new Single Departmental Plans, which will identify key priorities for every department, and will act as a vehicle to link inputs to outputs.	All seventeen departments published their Single Departmental Plans on 19 February 2016 on gov.uk. The plans describe departmental objectives for this Parliament and how each department is fulfilling the government's commitments to the public. They will improve the way in which the government monitors its performance and will allow the public to track progress against key outcomes.	Complete

No.	Commitment	Progress to date	Forthcoming implementation
170	The Spending Review will outline specific initiatives to ensure that services can meet continued – or in some cases increasing – demand at a time of reducing budgets.	Spending Review and Autumn Statement 2015 set out multiple examples of how the government will ensure services become more efficient. Some examples include investing £1.3bn to transform HM Revenue and Customs into one of the most digitally advanced tax administrations in the world, building one simple payment mechanism for central government services and selling £4.5bn worth of government land and property.	Complete
171	Implement a new commercially-driven approach to land and property management across the central government estate by March 2017.	The programme is on track. The New Property Model has been co-designed with Departments and a phased implementation over this parliament agreed. Employee Relations Principles have been agreed with the National Trade Union Side and regular meetings are being held with them. The central body will focus on the general purpose estate with Departments continuing to manage specialist assets.	Shadow running will commence from January 2017 to test systems and approaches across a small number of Departments.
172	Appoint a shadow Chair to lead the development and implementation of this transformation programme.	Liz Peace has been appointed the shadow Chair of the new central body.	Complete