Press release: Creative industries' record contribution to UK economy

- Strong growth also in nation's tourism, culture, sport and digital industries
- DCMS sectors contribution to the economy up by 3.6 per per cent year-on-year to almost £250bn, accounting for 14.2 per cent of the UK's Gross Value Added (GVA)

The UK's booming creative industries made a record contribution to the economy in 2016, new statistics show.

Industries including advertising and marketing, arts and film, TV and radio, and museums and galleries are all part of this thriving economic sector, which is now worth almost £92bn, according to the figures published today by the Department for Digital, Media, Culture and Sport.

The creative industries' contribution to the UK is up from £85bn in 2015 and it is growing at twice the rate of the economy. The sector now makes up more than five per cent of the UK economy's GVA. Much of the increase has been driven by a boom in the computer services sub-sector. While this includes video games, it also covers wider digital industries.

DCMS sectors' contribution to the UK economy overall continues to rise, with GVA at £248.5 billion in 2016, up 3.6 per cent year-on-year and up 29 per cent since 2010. DCMS sectors now account for 14.2 per cent of the UK's GVA.

Secretary of State for Digital, Culture, Media and Sport Karen Bradley said:

> Britain's creative industries play an essential role shaping how we are seen around the world but as these new statistics show they are also a vital part of the economy.
>
> The sector is now one of our fastest growing industries and continues to outperform the wider UK economy. This is a testament to the talent and drive of its workforce and we are working closely with them to make sure this fantastic success continues.
>
> I am delighted to see the sectors my Department supports contributing so positively to people's lives and helping strengthen the economy, as we work to build a Britain fit for the future.

The Government continues to back the creative industries sector. For example, dedicated tax relief to support high-end television productions, such as Game of Thrones and The Crown have seen a production boom worth £1.5 billion since the scheme was introduced in 2013. There was also £1 billion of inward investment in the film industry last year as a result of tax relief.

The government's UK Games Fund, which helps video game companies grow with grants to support new projects and talent, has just been extended until 2020. The government has also recently announced the opening of a £80 million Creative Industries Clusters Programme competition which will boost innovation in the sector by part-funding research partnerships between universities and industry.

Britain's thriving tourism sector has continued to grow and now makes up almost four per cent of the UK economy – worth a record £66 billion in 2016.

Sport's value to the UK economy has also increased by 4.9 per cent year-on-year and by 28.6 per cent since 2010. Sport's value, which includes sport equipment production and the operation of sports facilities, rose to £9 billion, although this does not include the sports broadcasting rights or sports advertising markets.

The UK's world leading digital sector has seen its contribution to the UK economy increase by 5.8 per cent between 2015 and 2016, and by 23.3 per cent since 2010.

The Government recognises the value of the UK's digital sector. Two weeks ago the Prime Minister and Chancellor hosted a tech roundtable and reception at Downing Street and earlier this year the Government published its Digital Strategy to help make the UK the best place in the world to start and grow a digital business.

Last week's Budget included more than £500m of investment in technologies including artificial intelligence (AI), 5G and full fibre broadband. This was followed by Government's Industrial Strategy earlier this week, which committed to transformative investment in pioneering immersive technologies such as virtual and augmented reality with £33m from the Industrial Strategy Challenge Fund. This investment is also designed to capture new global audiences and grow our leading market position in creative content.

Notes to editors

- Gross value added measures the value of goods and services produced without associated costs.
- This release provides estimates of the contribution of DCMS sectors to the UK economy, measured by gross value added (GVA).
- The 2016 figures are provisional and are subject to change when ONS National Accounts are published next year.
- Link to statistics here.

Media enquiries: DCMS News and Communications team on 020 7211 2210 or out of hours on 07699 751153.

Press release: Number of workless households falls by 49,000 in a year

The number of workless households in the UK is now just 3 million (14.5%). The number of households with at least one working adult has also risen by 126,000.

The figures, released by the Office for National Statistics (ONS), also show that the number of children in a workless household has fallen by 41,000 since last year, while the proportion of lone parents in work has risen to 68.9%. Nearly 9 in 10 children now live in a home with at least one working adult.

Minister for Employment, Damian Hinds said:

> We know that being in work is one of the best ways people can improve their family's lives, and under Universal Credit people are moving into work faster and staying in work longer than the previous system. Unemployment is currently at its lowest level in over 40 years, and 3 million more people have found work since 2010.
>
> On Universal Credit people's benefits reduce gradually as they take on more hours, ensuring that it always pays to be in work.

Recent employment figures show that there are a near-record 32 million people in work, and the unemployment rate (4.3%) is the lowest since 1975.

Separate figures released by the Department for Work and Pensions on 29 November 2017 also show there were 1.9 million children living in a household where a parent or guardian is receiving out of work benefits in May 2016. This represents a decrease of 76,000 thousand since May 2015.

This report provides new figures for July to September 2017. ONS advise that these estimates can only be compared to the same July to September period in other years, to avoid including seasonal effects. Therefore, only short-term comparisons are possible, back to July to September 2014.

However, estimates for April to June 2017, previously published by ONS and repeated in today's release, can be compared back as far as April to June 1996, enabling us to measure long-term records.

Media enquiries for this press release – 020 3267 5118

Follow DWP on:

Press release: M25 Wisley improvements set out

Under the plans, the interchange between the M25 and the A3 will be redesigned to create four dedicated link roads for all drivers making left turns at the junction while drivers turning right will use a new enlarged junction roundabout.

The A3 will also be widened from three lanes to four between Ockham and Painshill in both directions with two lanes remaining over the M25. The improvements will create extra capacity at the junction and, on opening, will shave up to seven minutes off journeys made at the junction during the morning peak.

Two options were put to the public for views between December 2016 and February 2017, and today's announcement considers feedback made during the consultation and ongoing discussions with key stakeholders and residents.

The plans also include improved routes for pedestrians and cyclists, a green bridge linking Wisley and Ockham Commons, and better, safer access to RHS Garden Wisley via a new bridge and link road to the east of the A3. The proposals minimise the impact on trees within RHS Garden Wisley and ancient woodland near Ockham.

Highways England Regional Delivery Director for the South East Chris Welby-Everard said:

> This busy junction is used by more than 96,000 drivers every day, and the M25 and the A3 which run through it have a further 173,000 and 57,000 journeys respectively every day. The plans we are putting forward today will make a real difference to all those journeys while respecting the protected environments nearby. I would like to thank everyone who took part in our consultation and helped shape these proposals.
>
> We will continue to work with stakeholders and residents in working up the details of our design and t here will be a further opportunity for people to have their say in another consultation next year.

The M25/A3 interchange is a key congestion pinch point on the strategic road network and has one of the highest recorded collision rates across the

Highways England network. The proposed plans will help to reduce delays, make journeys more reliable, ease congestion and improve safety.

The plans being taken forward include:

- an elongated roundabout to add more road capacity and improve safety with provision of dedicated free-flow left turns for all traffic leaving and joining the M25. The existing roundabout will be retained for walkers, cyclists and horse riders.

- widening of the A3 between Ockham and junction 10, and Painshill and junction 10, in both directions The proposals were referred to as Option 14 during the consultation. The other proposal, known as Option 9, was a four-level flyover with dedicated free-flow slip roads for traffic accessing the M25 from the A3 and was rejected due to strong concerns about the negative impact on the surrounding environment.

Anyone interested in the scheme can sign up to receive updates via the project page on the Highways England website, where they can also download the consultation report, announcement flyer and see visualisations outlining the preferred option.

General enquiries

Members of the public should contact the Highways England customer contact centre on 0300 123 5000.

Media enquiries

Journalists should contact the Highways England press office on 0844 693 1448 and use the menu to speak to the most appropriate press officer.

Press release: Largest rise in National Minimum Wage rates for young people in a decade

Today the Low Pay Commission (LPC), the body that recommends the rates of the National Minimum Wages (NMW), including the National Living Wage (NLW), launches its detailed annual assessment of the labour market and explains the rationale for its recommendations.

The Government has accepted all of the LPC’s recommendations, including for the largest increases in a decade for the rates that apply to 18-20 and 21-24 year olds.

On 1 April next year (2018) these rates will increase by 4.7 per cent and 5.4 per cent respectively. These are greater percentage increases than both that of the National Living Wage, which will increase by 4.4 per cent, and forecast average earnings growth of between 2.5 and 3 per cent. (See table below for full details of the current and future rates).

The new rates will boost the earnings of between 260,000 and 360,000 young workers directly, and many more young workers will benefit. This is for two reasons: firstly, these increases lead to ‘spillover’ effects further up the pay distribution; secondly, even though they are not entitled to it, some young workers benefit from increases in the National Living Wage. We estimate that up to 45 per cent of 18-24 year old workers – or 1.3 million young people – could receive a higher pay increase than they would have done in the absence of the NLW.

In the years following the recession the LPC recommended lower increases in the NMW for young people to protect their employment position. This is because young people are more at risk of unemployment than older workers in the event of an economic downturn. Periods out of work can cause ‘scarring’ effects for young people, whereby their earnings and employment chances are still affected years later.

When making those recommendations, the LPC also made commitments to restore any lost ‘relativities’ once economic conditions improved. The LPC judged that there was sufficiently strong evidence to justify being more ambitious for the youth rates:

- Employment in the UK continues to grow more strongly than forecast and is at record levels.
- Unemployment has fallen to its lowest rate since 1975.
- There have been ongoing improvements in the employment and unemployment rates of 18-24 year olds, despite two increases in their NMW rates in quick succession in the last year.
- Wage growth for those aged 18-24 has been higher than for those aged 25 and over for the last three years. As a result, the bite, which is the NMW as a percentage of median earnings and a key measure of pressure, has fallen for workers of these ages.
- Both employers and unions raised the importance of fairness and employee relations between age groups in the workforce.

The LPC recommended slightly lower increases for 16-17 year olds at 3.7 per cent, or 15 pence, from £4.05 to £4.20. The reason for this is that earnings and employment chances have not improved as fast as for the other age groups. But, while this increase is lower than for the other rates, it is still the highest in 10 years for this age group.

Commenting on the analysis, LPC Chair Bryan Sanderson said:

The LPC is pleased that the Government has accepted our recommendations to increase the NMW rates for young people. Many thousands will benefit directly and thousands more will benefit from the increases to the NLW.

If economic conditions, particularly the labour market for younger workers, remain positive or improve then there will be grounds for further increases in NMW rates for younger workers in the future.

The Government also accepted the LPC's recommendation for the National Living Wage to increase it to £7.83 in April 2018. The LPC's approach is different for the National Living Wage and the other National Minimum Wage rates. On the former, the Government has given the LPC a target to reach 60 per cent of median earnings by 2020, subject to sustained economic growth. On the latter, the LPC is asked to make recommendations that lift rates as high as possible without damaging employment. It was the LPC's judgement that the evidence was consistent with the NLW remaining on its path to 60 per cent of median earnings with the April 2018 uplift.

The April 2017 uprating of the National Living Wage again delivered a substantial increase in earnings for workers. It increased by 4.2 per cent, double the average wage growth for all workers aged 25 and over of 2.1 per cent. Despite the April 2017 uprating being lower than the previous year, when the NLW was first introduced, (30p and 4.2 per cent compared with 50p and 10.8 per cent) its 'spillover' effects are greater. We estimate that the NLW indirectly raised the earnings of up to 7 million workers as employers sought to maintain a pay differential with the NLW.

These differential effects occur when employers try to maintain a pay gap with the NLW for other staff, for example the manager or team leader of a group of minimum wage workers. Employers tell us this is a major challenge because of the cost. Their concern is that the squeezing of these differentials is causing problems around motivation and progression – when differentials are low employer struggle to encourage staff to apply for managerial or supervisory roles.

Notes:

1. The Low Pay Commission is an independent body made up of employers, trade unions and experts whose role is to advise the Government on the minimum wage. The National Living Wage is the legally binding pay floor for workers aged 25 and over. The other minimum wage rates comprise: the 21-24 Year Old Rate, the 18-20 Year Old Rate, the 16-17 Year Old Rate and the Apprentice Rate.

2. The LPC's remit prescribes different requirements in relation to the NLW than for the four other bands of the minimum wage. For the NLW we are asked to make recommendations on the pace of increase towards a target: an 'ambition…that it should continue to increase to reach 60 per cent of median earnings by 2020, subject to sustained economic growth'. For the

other rates we are asked to ‘help as many low-paid workers as possible without damaging their employment prospects’.

3. Our full recommendations for April 2018 and underpinning analysis were published in our 19th report. The rationale for our recommendations is also included in a letter from the LPC Chair to the Secretary of State for Business, Energy and Industrial Strategy.

4. We said in our report in March 2016 that, in the absence of economic shocks or other strong evidence, we thought that the default for the NLW would be a straight line rolling path to the 60 per cent target – evenly spreading our (annually updated) estimate of the increase in relative value needed to hit the target over the remaining years to 2020. Our recommendation for the NLW reflects this approach, and the cash level is in line with the indicative figure we set out last October – £7.85.

5. The new NLW rate will increase pay for typical minimum wage workers (working 30 hours per week) by just over £500 per year. An increase of 4.4 per cent is, after the introduction of the National Living Wage in April 2016, the largest increase in the main rate of the minimum wage since 2006.

6. We estimate that the £7.83 rate will raise coverage – the number of workers paid at or below the NLW – by up to 530,000, from 1.6 million jobs (6.4 per cent of the cohort) in April 2017 to 2.1 million (8.6 per cent) in April 2018. Looking at progress towards the 60 per cent target, we estimate that the £7.83 rate will represent an increase in the relative value of the NLW for workers aged 25 and over of 1.1 percentage points, up from 56.9 per cent of the value of typical earnings (October 2017) to 58 per cent (October 2018).

7. Rates for workers aged under 25, and apprentices, are lower than the NLW in reflection of lower average earnings and higher unemployment rates. International evidence also suggests that younger workers are more exposed to employment risks arising from the pay floor than older workers. Unlike the NLW (where some consequences for employment have been accepted by the Government), the LPC’s remit requires us to set the other rates as high as possible without causing damage to jobs and hours.

8. Employment and unemployment rates for 18-24 year olds not in full-time education have seen quarter-on-quarter improvement for the last two years or longer. As a consequence, in June 2017, the employment rate for 21-24 year olds was 8 percentage points higher – and the unemployment rate 7.5 percentage points lower – than in June 2013. The employment rate for 18-20 year olds was 2.0 percentage points higher – and the unemployment rate 4.3 percentage points lower – than in June 2015. These

continuous improvements were maintained despite the relatively large increases in the NMW in October 2016.

9. We have also provided an indicative rate for the National Living Wage from April 2019. This is inevitably uncertain because pay forecasts are likely to change, but using those available in October we project that the on-course rate will be £8.20. Using OBR forecasts published last week, the projected figure is £8.18. For 2020, the LPC's projected rate for 60 per cent of median earnings is £8.61, within a range of £8.55 to £8.66. Using its forecasts published last week, the OBR wage growth projections give a slightly lower estimated figure for 2020, of £8.57.

10. The National Living Wage is different from the UK Living Wage and the London Living Wage. Differences include that: the UK Living Wage and the London Living Wage are voluntary pay benchmarks that employers can sign up to if they wish, not legally binding requirements; the hourly rate of the UK Living Wage and London Living Wage is based on an attempt to measure need, whereas the National Living Wage is based on a target relationship between its level and average pay; the UK Living Wage and London Living Wage apply to workers aged 18 and over, the National Living Wage to workers aged 25 and over. The Low Pay Commission has no role in the UK Living Wage or the London Living Wage.

11. The members of the Low Pay Commission comprise:

- Bryan Sanderson, Chair
- Sarah Brown, Professor of Economics at the University of Sheffield
- Kay Carberry, TUC
- Neil Carberry, Managing Director, People and Infrastructure, CBI
- Clare Chapman, Non-Executive Director & Remuneration Committee Chair at Kingfisher PLC
- Richard Dickens, Professor of Economics, Sussex University
- Peter Donaldson, formerly Managing Director, D5 Consulting Ltd
- John Hannett, General Secretary, Usdaw
- Brian Strutton, General Secretary, BALPA

Our recommendations comprised:

	Current rate	Future rate (from April 2018)	Increase
NLW	£7.50	£7.83	4.4%
21-24 rate	£7.05	£7.38	4.7%
18-20 rate	£5.60	£5.90	5.4%
16-17 rate	£4.05	£4.20	3.7%
Apprentice rate	£3.50	£3.70	5.7%
Accommodation offset	£6.40	£7.00	9.4%

News story: Civil news: HPCDS tender deadline reminder

Deadline for responses to the 2018 Housing Possession Court Duty Scheme invitation to tender (ITT) is 5pm on Monday 4 December.

Providers are reminded that 5pm on Monday 4 December is the deadline for responses to the Housing Possession Court Duty Scheme ITT. You must submit a response to the:

This needed to be done by 5pm on 10 November 2017.

Answering your questions

Meanwhile we have been working through the questions submitted about the 2018 civil tender.

You can find answers to your questions in the form of 'frequently asked questions' (FAQ) documents which have been published on GOV.UK on the 'civil tender 2018' page.

This includes one specifically for HPCDS which was updated on 27 November.

Further information

e-Tendering system – for submitting bids and using the message boards

Legal aid civil tender 2018 – information for potential applicants

Email help@bravosolution.co.uk or telephone 0800 0698630 for technical questions about using the e-Tendering system

2018 contract deadlines now approaching – GOV.UK news story on 2 November 2017

Tender process for 2018 contracts opens – GOV.UK news story on 19 September 2017

Help with how to submit a civil tender – GOV.UK news story on 20 October 2017