

Manufacturing and Materials

Hot Issues

December 2010



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Cover image: Advanced Manufacturing Research Centre (AMRC) - Researchers inspecting a Virtual Reality Image of a aero engine wearing 3D Glasses

Editorial by Marie-Anne Mackenzie – Head of Manufacturing and Materials (MM)

I am pleased to be able to say that the last edition of 2010 includes details of new goals that the Government has set to: grow manufacturing in the UK; make the UK Europe's leading exporter of high value goods and services; and to increase the proportion of the workforce seeking, and capable of, a career in manufacturing. The advanced manufacturing growth review, launched on 10 December, asks for views on these ambitions and the action needed to grow manufacturing. I would like to thank the individual businesses as well as EEF and CBI who contributed to the analysis and in identifying the possible areas for action identified in the review document. It has also been great to get so many offers from businesses interested in taking part in the showcasing events we are holding every month. There is a report on the latest event (see below) and in January we are planning one with a low carbon theme. I look forward to seeing the displays of excellent design, engineering and manufacturing that will be included in the programme of exhibits for next year. But before we get to next year I hope you have a relaxing few days holiday!

Hot Topics

Advanced Manufacturing Growth Review – Stuart Barthropp



On 29 November 2010, The Chancellor of the Exchequer, George Osborne and Business Secretary, Vince Cable, announced a fundamental review of what each part of Government is doing to create the best conditions for private sector growth. One of the first sector reviews being taken forward is Advanced Manufacturing, reflecting the importance that Government attaches to the sector in helping the UK economy achieve sustained, sustainable and balanced growth.

On 10 December 2010, to launch the Advanced Manufacturing Growth Review, BIS published the *Growth Review Framework for Advanced Manufacturing*. This publication outlines the Government's ambitions for manufacturing, developed with industry in recent months, sets out the key competitive strengths on which the UK can build, and examines the major future long-term growth opportunities for manufacturing in the UK.

It is supported by an in-depth economic analysis providing a substantial evidence base. The document invites ideas and evidence from industry for the Advanced Manufacturing Review.

This is just the start of a continuing process. The focus on growth – including manufacturing - will form the basis of this Government's agenda for the rest of the Parliament. Individual sub-sectors of manufacturing will also have an opportunity for a full review of their own sector as part of the rolling review of sectors going forward.

As part of the Framework, BIS announced that it is investing £50 million over three years in the Manufacturing Advisory Service so it can continue giving the support SMEs need to become more productive and competitive. BIS is also contributing £600,000 for a two year automation and robotics programme to be developed and run by the Engineering and Machinery Alliance (EAMA) and the British Automation and Robot Association (BARA). The programme will better prepare companies to introduce new automated systems and help them operate them effectively.

In January, BIS will hold an Advanced Manufacturing summit involving Ministers from across Government as well as key manufacturing stakeholders and other Government departments. Contributions from industry at this event and from responses to the Framework will feed into the Advanced Manufacturing strand of the Government's Growth Review, which will report back with policy proposals by the 2011 Budget.

We have set up an email box at BIS for business to send in ideas and evidence. The address is amqr@bis.gsi.gov.uk . The *Growth Review Framework for Advanced Manufacturing* and supporting analysis is available at: <http://bis.gov.uk/policies/business-sectors/manufacturing-and-materials/manufacturing>

BIS Showcase of UK Excellence – Martin Gilligan



Business Minister Mark Prisk examining exhibits at an Exhibition held at BIS HQ showcasing UK manufacturing

BIS held its third exhibition showcasing the best of British engineering, design and manufacturing during the fortnight 29 November – 10 December.

Exhibits demonstrating how the UK is a world leader in manufacturing included:

- Ford EcoBoost engine – this high-tech, low emission engine is designed, engineered and built in Britain. Across the world, one in three Ford vehicles has a UK-made engine.
- Brompton Bicycle Ltd – Brompton won a Queen's Award for Innovation and International Trade in 2010. Their famous bike, designed and manufactured in London, is safe, agile and fast, yet folds into a highly compact package.
- Alicat Workboats – Alicat's innovative, high-spec catamarans are built in Great Yarmouth to support the development of offshore wind turbines.
- Airbus – A snapshot of the Airbus supply chain showed the UK companies which provide components, including Rolls-Royce and wing-makers GKN. There was also a video of the assembly of an Airbus.
- I-Composites – illustrating the Technology strategy Board's Composite Grand Challenge
- ABB – a global leader in power and automation technologies provided a robot for the exhibition. While few robots are made in the UK typically over 70% of the value of a robotic system is UK sourced e.g. systems design of software.
- BDR Thermea – a world leading manufacturer and distributor of innovative heating and hot water systems and services supplied a display highlighting products designed and manufactured in the UK including the revolutionary Baxi Ecogen micro-CHP.
- Pilkington Building Products UK (part of Pilkington Glass plc) – one of the world's leading manufacturers of glass and glazing systems exhibited the Pilkington **energiKare** range of energy efficient glazing for homes, Pilkington **Activ** the world's first dual action self-cleaning glass and NSG **TEC** coated glass or Photovoltaic cells for solar power generation.



Business Minister Mark Prisk examining exhibits at an Exhibition held at BIS HQ showcasing UK manufacturing

Automation – Sandy Grom



The first study of automation within UK SME manufacturers has identified the main barriers to take-up as their lack of knowledge and skills and their attitude to risk. Other factors also have an impact.

A four-country benchmarking study commissioned by members of the

Engineering and Machinery Alliance (EAMA), with support from the Department for Business, Innovation and Skills (BIS) and British Automation and Robot Association (BARA) members, shows manufacturers have invested significantly less in modern manufacturing technologies than their counterparts in mainland Europe. As a result many UK manufacturers aren't as competitive as they could be.

In a relatively high cost economy such as the UK, the application of automation is an essential ingredient in the sustainability of many manufacturing businesses enabling them to compete more successfully in the global market. Automating manufacturing processes not only drives costs down, it improves quality, reduces waste and optimises energy use.

According to the report **Automating Manufacturing - Ensuring the UK's Economic Growth**, UK manufacturing has fallen a long way behind our European competitors. Taking robot use as an example, Germany has an installed base of 144,800 industrial robots and Spain 28,600, whereas the UK records only 15,100.

Business Minister Mark Prisk said: "I am delighted to announce that we will be contributing £600,000 for a two year automation and robotics programme to be developed and run by EAMA and BARA. The programme will better prepare companies to introduce new automated/robotic systems and help them increase productivity, reduce waste and increase precision in their manufacturing process."

For more details about the report please see:
www.eama.info/automation-and-growth.htm

UKAS Accreditation – An alternative to regulation – Malcolm Hynd (UKAS)



UKAS (The United Kingdom Accreditation Service) was established by Government in 1995 to be the national accreditation body. UKAS accredits, against recognised international standards, organisations providing calibration, testing, certification and inspection services to ensure their competence, consistency and impartiality. In other words, UKAS 'assesses the assessors'. UKAS accredits 1500 calibration and testing laboratories and 400 inspection and certification bodies.

UKAS is a private company (limited by guarantee) but is appointed as the national accreditation body by The Accreditation Regulations 2009 (SI No 3155/2009). UKAS operates under, and is monitored against a Memorandum of Understanding with the Secretary of State for Business, Innovation and Skills. Amongst other things, the MoU requires UKAS to operate in the public interest.

UKAS accreditation is a robust but flexible tool that can be applied to a wide variety of assessment, approval or evaluation tasks. UKAS accreditation is currently used to support Government policy in a wide range of policy areas from carbon measurement, environmental management certification, forensic science, to asbestos management.

Supporting Regulators

Accredited testing and certification is market driven and funded through laboratory and certification fees, thereby removing the need for Government to operate and fund its own laboratories and inspectorates. UKAS accredited organisations are already working across a wide range of activities, thus providing economies of scale to their customers.

Given a recent EU Regulation on accreditation and international agreements on mutual recognition, accreditation is becoming more widely used as a tool for regulators throughout Europe and worldwide. In addition, UKAS' status as the national accreditation body gives authority to voluntary, self-regulatory schemes.

Case Study: Accrediting the measurement of renewable energy generation

The increasing demand for renewable energy sources has led to the development of innovative means of extracting energy from the wind, the sea and other natural resources. In the development of these technologies, it is important to be able to have confidence in the measurement of the power produced. This information is crucial as developers strive to turn prototype devices into income generating, commercially available technology.

Case Study: Monitoring emissions to air, land and water

To protect the environment and human health, businesses making emissions to air, land and water are regulated by the Environment Agency under European and UK laws. These businesses are required to monitor their emissions under IPPC (Integrated Pollution Prevention and Control) using organisations accredited by UKAS under the Monitoring Certification Scheme (MCERTS). The Environment Agency is extending MCERTS to the chemical analysis and sampling of water. This scheme will be similar to other MCERTS schemes, such as those for stack emissions monitoring, in that it will elaborate on general accreditation requirements specifically for sampling and testing of discharges to sewers and water courses. Once fully implemented, the use of UKAS accredited organisations for this scheme will be a requirement for discharge to sewers and water courses for water utility companies. The scheme will be further extended to all organisations discharging to sewers or water courses. By requiring the use

of UKAS accredited organisations, the Environment Agency can have confidence that the monitoring of emissions is performed competently.

Opportunities for extending the use of UKAS accreditation

There are many policy areas in which UKAS accreditation could be introduced as an alternative to regulation or as a business-friendly mechanism for demonstrating compliance within a co-regulatory regime. If you wish to find out more about how accreditation might be of assistance to you in your capacity as a public servant, please contact: Malcolm Hynd, External Affairs Manager

Telephone 020 8917 8443
Email malcolm.hynd@ukas.com
Or visit our website at www.ukas.com

Sources of further information

UKAS website www.ukas.com
Accreditation Matters – A briefing for policy makers, available from www.ukas.com (Awareness Campaign page)
Regulation EC 765/2008

The Accreditation Regulations 2009 (SI No 3155/2009)
BIS Conformity Assessment and Accreditation Policy available from
<http://www.bis.gov.uk/policies/innovation/infrastructure/standardisation/infrastructure>

BIS/UKAS Memorandum of Understanding available from
<http://www.bis.gov.uk/policies/innovation/infrastructure/standardisation/ukas>

Monitoring the UK's Infrastructure - Neil Harrison



In the UK there are over 40 000 railway bridges (of which 10 000 are worth more than £1M each), over 7 700 km of trunk roads, 325 000 km of water mains and 21 000 electric tower pylons. All of these have to be inspected to ensure they are structurally sound. Manual inspection techniques are still used for the majority of large civil

engineering structures, such as bridges, buildings and the power generation infrastructure. This leads to inspections that can be influenced by human error particularly when operatives are tired.

At the National Physical Laboratory (NPL), the UK's National Measurement Institute, the Materials Team are currently involved in a number of Structural Health Monitoring (SHM) projects.

SHM is the use of measurement techniques and sensors to provide continuous assessment of the state of engineering structures. For operators of large civil engineering assets the ability to accurately monitor material condition and structural performance via reliable, intelligent and remote operating systems will result in significant benefits. These include a reduction in operating and maintenance costs and advanced warning of component failure.

NPL is particularly focusing on a technique known as Digital Image Correlation (DIC) an innovative non-contact optical technique for measuring surface deformation. DIC was developed in the early 1980s, and with new software linked with readily available high-resolution cameras the accuracy has greatly improved. Because SHM produces a large amount of data, NPL is also investigating data mining and visualisation techniques that can help extract and present the salient information.

The technique involves capturing and comparing an image of a structure or component at different stages of deformation. This image is then processed as a block of pixels, each block has a unique fingerprint that can be tracked as it moves and this can be used to build up a 2D or 3D map. The system is able to detect movements down to 1/100th pixel – imperceptible to the human eye.

NPL research is providing an accurate way of measuring the deformation characteristics in a wide range of materials, components and structures, both large and small. As well as being used for monitoring displacements in rail and road bridges and measuring crack opening in civil engineering components (particularly in the nuclear industry) NPL has worked with a number of leading aviation and power companies to measure the residual stress from incremental hole drilling in small structures. DIC is also being used to develop in-situ monitoring of power plant components to increase service life and reduce carbon emissions.

Other projects have included the application of DIC for measuring thermal expansion and distortion of electronic components, measuring the mechanical properties of nuclear graphite, 3D shape measurement on air bags, damage development in silk print screens and strain development during the processing of chocolate.

Further information - www.npl.co.uk

Have your say on European policy affecting you –

Nanda Ruchi



As part of its review of the Single Market, the European Commission has recently published a communication on a Single Market Act. It consists of 50 proposals related to the functioning of the Single Market, including its relationship with international markets. The proposals cover a range of issues affecting businesses of all sizes and span a variety of sectors. Examples include e-commerce, business services, public procurement, eco-labelling, standards, IPR, VAT and skills.

The Commission will consult on these proposals until 28 February 2011 with a view to adopting the Single Market Act in 2011. This consultation represents an opportunity to give your views on European policies that may impact on you as a business or a consumer, as an employer or an employee. We would, therefore, encourage you to engage in this process.

For further information:

Please see the EU Booklet called '**The Single Market**'?

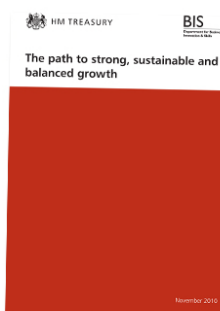
http://ec.europa.eu/internal_market/smact/docs/brochure-web_en.pdf

To submit your views and for further background information:

http://ec.europa.eu/internal_market/consultations/2010/smact_en.htm

Latest BIS News

60 seconds on... the growth review



An overview of the growth review of what each part of Government is doing to create the best conditions for private sector growth.

What is the growth review?

The growth review calls on business and industry to challenge Government departments on the measures they are taking to enable the private sector to flourish. The Government wants to create the right conditions for

businesses to succeed, removing barriers that are preventing them from performing to their full potential.

What does it aim to achieve?

The Government's economic policy objective is to achieve strong, sustainable and balanced growth that is more evenly shared across the country and between industries.

What is the main focus of the growth review?

There are two main focuses:

- Reforming structural barriers across the whole economy to improve the business environment: in planning, competition, trade and investment, regulation, access to finance, and corporate governance
- Removing barriers in sectors where there are clear opportunities for growth and where government can make a difference: in construction, retail, health, life sciences, professional and business services, manufacturing, and digital and creative industries.

Why are you focusing on just these sectors and areas?

This is just the start. These specific sectors and structural areas have been identified as priority areas, but over the course of the review, the Government will take a forensic look at all sectors of the economy. The work will continue for the lifetime of this Parliament, ensuring all Government departments think first and foremost about the impact of their policies on growth.

How does this fit in with the Spending Review and other work the Government has been doing?

The immediate focus had to be on reducing the deficit. Creating stability is an essential precondition for growth. The Spending Review took decisive action to reduce the overall level of public spending. The next stage of this process is to focus every part of Government on how to help the private sector to recover and create jobs.

What has the government done so far to help drive growth?

The path to strong, sustainable and balanced growth, which announces the growth review, sets out the progress made in creating the right framework for growth through a four-part commitment to the private sector:

- Providing the stability business needs to plan and invest
- Making markets more dynamic by removing barriers to growth wherever possible
- Focusing the Government's own activities on providing the conditions for private sector growth and investment
- Ensuring that strong growth is fairly shared and sustainable in the long term

Key actions highlighted include the new 'one in, one out' rules for regulation, improving access to finance, National Infrastructure Plan, local growth White Paper, skills strategy and Blueprint for Technology.

We originally said we were going to publish a White Paper so why didn't we?

The Government cannot lay out the plans for how the economy should grow. It is the decisions made by businesses that will drive growth. Rather than laying down a strategy we launched a review inviting business to work in partnership with us to identify barriers.

What happens next?

The growth review process will work with business on an intensive programme that will report back with policy proposals on the priority sectors and areas at Budget 2011, which is on 23 March. A new Ministerial Group will be formed, chaired by the Chancellor and Vince Cable, to which departments will present action plans on growth and be held to account, demonstrating their delivery on our four-part commitment to business.

More generally, there are a number of other papers coming up over the next few months including a manufacturing strategy and a trade White Paper early next year.

Partner Profile: Capital for Enterprise Limited

Capital for Enterprise Limited helps Small and Medium Sized-Enterprises (SMEs) access the finance they need to innovate, survive and grow.

What is Capital for Enterprise Limited (CfEL)?

CfEL is the Government's centre of expertise for developing and managing finance programmes for SMEs across the UK. It is a BIS Non-Departmental Public Body that delivers programmes for BIS, other government departments and private investors which help SMEs access finance.



What are your immediate priorities?

We are currently working with BIS, the Department for Communities and Local Government and the Treasury on how we can bring greater coherence and consistency to the SME funding schemes set up by the Regional Development Agencies and Government Offices, now that these bodies are being wound up. CfEL is developing an oversight role to help the effective delivery of these programmes now and in the future. We are also:

- Helping the Scottish Government to structure and launch a new fund for SMEs in Scotland
- Bidding with private sector partners for new support for business angels (expert investors in small businesses) in England
- Helping to establish the Big Society Bank
- Planning the implementation of the £2.2 billion of finance support made available for SMEs in the Spending Review.

How does CfEL interact with BIS?

BIS is our sponsor, ensuring we adhere to proper governance standards and largely funding us. The **Shareholder Executive** is represented on our Board and we interact with policy officials across BIS to help inform their thinking and advice to Ministers on SME finance issues, mainly venture capital and bank lending.

What does a typical CfEL day look like?

Since we were established in 2008 there has never been a typical day. All parts of the business are facing new challenges and opportunities all the time. Our investment team are meeting new venture fund managers every week, negotiating with them, agreeing legal terms and monitoring performance.

The debt team are analysing lending trends with banks and the reporting team crunch the numbers and manage the flow of millions of pounds of cash. It's a great place to work!

Any achievements to report?

We launched innovative and successful programmes to help SMEs weather the worst of the financial crisis – around £1 billion of support delivered in 15 months.

What might surprise our readers?

There are fewer than 17 full-time staff at CfEL and we are based in Sheffield, yet still attract the best professional talent from the finance sector. Our support for venture capital creates exciting, innovative new businesses – and because we invest in the expectation of a return on that investment, it might cost the Government nothing!

What's the most rewarding aspect of working for CfEL?

It's a great team that pulls together to meet demanding objectives in a complex and dynamic environment.

How are you helping to create economic growth?

By helping small businesses to start and grow. Here are some great examples:

- **Scriptswitch** is saving the NHS over £20 million each year
- **R5 Pharmaceuticals** is speeding the development of new drugs
- **Spikes Cavell** is helping the public sector to save billions on procurement

- **Glide Pharma** is developing needle-free injections
- **Gnodal** is revolutionising data centres

How do I find out more about CfEL and its work?

There's **our website** and we issue a regular CfEL email newsletter. If you would like to receive it, please email:

alison.kirk@capitalforenterprise.gov.uk with 'newsletter please' in the subject field.

Global skills showcase coming to London



The UK is holding the world's largest skills competition in a year's time - find out how you can get involved in WorldSkills London 2011.

What is WorldSkills?

The UK is hosting the WorldSkills event in London in October 2011. This is the largest international skills competition and is held in a different city every two years.

BIS is supporting WorldSkills London 2011 to deliver a lasting skills legacy for businesses, individuals and the UK – both through the event and in its build up through a programme of showcasing across the UK. The programme will include 'have a go' events taking place across the UK throughout 2011 culminating in a three-week festival of skills in September/October.

What happens at WorldSkills London 2011?

WorldSkills London 2011 will take place at ExCeL London from 5-8 October 2011. It will give 150,000 visitors the opportunity to see 1,000 young adult competitors from 50 nations competing over four days for the honour of being the best in the world at their chosen skill.

The range of skills will be wide, with 45 separate skills competitions covering everything from mechatronics to floristry and joinery to logistics.

At the last competition held in Canada in 2009, 26 young adults from the UK won three gold and six bronze medals, plus 14 Medallions for Excellence. At WorldSkills London 2011 we aim to have our largest team yet and to improve our medals and performance.



What's in it for individuals?

WorldSkills London 2011 provides an opportunity for young people across the UK to experience excellence in a vocational skill area. It gives the UK an opportunity to showcase its talent with some of the most highly skilled people in the world. In doing this, WorldSkills London 2011 aims to be a catalyst to inspire people to learn and employers to offer work-based learning and Apprenticeships.

What's in it for business?

Skills competitions improve standards and encourage individual and team motivation and performance – helping companies to thrive.

WorldSkills London 2011 will give UK companies an opportunity to demonstrate the value they add to the economy, their commitment to developing employees' skills and the range of career opportunities they can offer.

What's in it for UKplc?

The event presents a significant opportunity for the UK to generate new jobs, business and enterprise opportunities across the world. As a host city, the value in hotel bookings and visitor spending could generate over £12m.

To find out more, visit www.worldskillslondon2011.com or contact Paul Collingwood on 0114 207 5043.

Business and government join forces to boost apprenticeships



The Government has joined forces with business leaders to urge employers to take on apprentices. Skills Minister John Hayes, entrepreneur Peter Jones, the Federation of Small Businesses, the British Chambers of Commerce, and businesses including the BBC, BT and BAE Systems are highlighting the benefits of apprenticeships by putting their names to a letter of support.

They are also launching a direct mail and radio marketing campaign aimed at employers. The campaign showcases the value of apprenticeships in the current economic climate, and shows how they can supply the skilled, talented workforce of the future.

John Hayes said: "This Government believes apprenticeships are a key component to up-skilling the workforce and are one of the best forms of work-based learning. We proved this commitment in our recent announcement that we will provide an extra 75,000 apprenticeship places a year by 2014-15.

"We will be working closely with employers to help them play their part in improving the employment prospects of young people and creating the highly skilled workforce this country needs." A survey carried out recently by the **National Apprenticeship Service** shows companies who take on apprentices benefit significantly. Of the employers surveyed, 82 per cent agreed apprenticeships give them a good return on investment, and 81 per cent agreed apprenticeships supply the practical skills and qualifications they need for the future. What's more, 83 per cent said employing apprentices creates a better work environment.



Investment company Skandia UK is one business with a winning apprenticeship programme at the heart of its approach to workforce development. "The return on investment in apprenticeships has been staggering," said Skandia's Judith Pilcher. "Apprentices stay with the company longer and take fewer sick days, annually saving the company a six-figure sum."

The Growth Agenda - The Trade Team



What do you do?

We seek to promote British and global prosperity through open markets for trade and investment.

What are your priorities right now?

The Trade White Paper which will be the major statement of the Government's policy on trade and investment issues and which will be published in January. Also trying to find a way of reviving the Doha Trade Round. And we want to get strong action on Trade and Development issues from the G20 Summit in Seoul.

How is your work helping to create economic growth?

Our priorities are to help keep markets open, to help UK business overcome barriers to trade and prepare for the upturn, and to ensure trade continues to contribute to sustainable development and poverty reduction. UK business does not operate in a vacuum. In the longer term, the greatest benefits from trade result from the openness of all – best

achieved if all share in the benefits. The recently signed EU free trade agreement with South Korea is estimated to be worth an extra £500 million a year for UK firms.

What is your team most proud of?

Bringing trade and development policy experts from BIS and Department for International Development together into one co-located team despite the logistical problems and initial misgivings. Also setting an example for other departments and maybe even other governments.

How does your team work with other teams in BIS?

While working on the Trade White Paper we consult and involve other teams in BIS, for instance in preparing content and involvement in stakeholder consultation seminars. We also tend to pull together international business on behalf of BIS more widely when necessary.

What one thing would you change about your work?

Trade negotiations are slow! More speed would be good.

What aspect of your work gives you most satisfaction?

Increasing market openness, seeing trade work for development and helping to bring people out of poverty

The Growth Agenda - Financing the Recovery - The Business Finance and Tax team



How does your work contribute to balanced and sustainable growth?

Businesses need access to finance to grow. The Business Finance and Tax team in Business Environment and Growth Directorate reviews business finance policy. We published a **green paper** in the summer that shows how options for growth will be financed – not just with banks, but other sources such as equities and corporate bond markets. Government is publishing its response on 1 November.

What are the main barriers to growth in your area and how is your policy trying to address them?

It is critical for the growth agenda that viable companies can access finance. So we work closely with colleagues across the department to

ensure this is the case and that the barriers relating to lack of finance are reduced.

For example, we work with colleagues in the Better Regulation Executive to ensure that impact studies of new financial services regulation in the wake of the financial crisis take into account the effect on bank lending to businesses, including small to medium-sized enterprises. We also work with colleagues in International Trade and the Export Credits Guarantee Department to provide advice to ministers on how to remove barriers to accessing finance for exporters.

What are the challenges of driving growth when there's less money to do so and how are you thinking innovatively to overcome them?

We need market-led solutions, for example supply chain finance where large corporations at the top of the supply chain use their credit rating to provide finance to those lower down. Many companies in retail and manufacturing already use this but we want to encourage other sectors. As policy officials, we don't generate these forms of finance but instead facilitate growth by enabling them and encouraging companies to access them.

If businesses are the real generators of growth, how will your policy act as an enabler?

Our aim is to enable companies to access finance at an appropriate price by ensuring stability in the financial markets, encouraging diversity in financial services and competition and transparency in banking.

How is your work helping to rebalance the economy?

We're very keen that financial services – an incredible asset to the UK – receive recognition for driving growth. The majority of financial services companies are not just London-based – they have support staff across the UK.

We took soundings during the green paper consultation period from all regions in the UK, and from many different sectors. We are also working with colleagues in other parts of BIS on finance projects for the green economy, for example the Green Investment Bank.

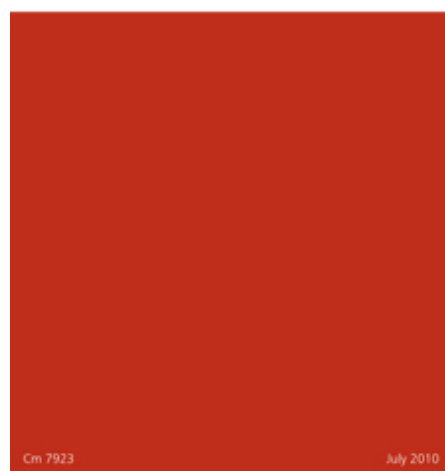
How are you working with other teams in BIS and across government?

We work with a range of other government departments including particularly closely with the Treasury.

Within BIS, there are many teams working to the same goals –



Financing a private sector recovery



automotive, small business, economic analysis etc. We have regular catch ups and share information to make sure all our work is joined up.

What will success look like a) in a year's time and b) by the end of the Parliament?

By the end of Parliament, Ministers aim to have a sustainable financial services sector where businesses can access the finance they need. To achieve this, ongoing work includes increasing the visibility of other forms of finance such as equity and bond markets and addressing the lending practices of banks.

Any examples of successes in this area to highlight?

The **Independent Banking Commission** is a notable highlight as our team was instrumental in setting it up. The Commission was set up in June and reports to the Cabinet Committee on Banking, chaired by the Chancellor with Secretary of State Vince Cable as Deputy Chair. The Commission will explore competition and the structure of the banking sector and we look forward to their report in a year's time.

60 seconds on... Spending Review

What is the Spending Review?

The Spending Review fixes spending budgets for each Government department for four years up to 2014-15.

What did the Chancellor announce?

Overall, £81bn is to be cut from public spending over four years. For BIS, our resource budget is cut by 25 per cent and the capital budget by 44 per cent. The Department's administration budget will be reduced by £400 million or 40 per cent. Overall, average annual savings of 7.1 per cent will be found from our budget.

Why are the cuts needed?

The biggest threat to our national economy is the large financial deficit which, if left unchecked, will damage our capacity to grow and rebalance the economy. We have taken the hard decisions needed to tackle the deficit and put the economy back on the path of sustainable growth.

When do the cuts need to be made by?

They need to be made over the four financial years from April 2011 to March 2015. Our budget has been set for each of those years.

How has BIS fared?

We are playing our part in making savings - reducing the resource budget by 25 per cent but making sure we protect those areas of spend which matter most. By reforming the way we fund higher education. 40 per cent off the administration budget looks like a lot but much of this is as a result of the closure of the Regional Development Agencies (RDAs). This is on top of the 11 per cent cut in May this year. Taken together, this means a cut of around a third – the same as many other departments and better than some.

What are the key themes in BIS's settlement?

We have approached making savings through radical reform, finding greater efficiency and ending or reducing lower priority projects. BIS will bring about radical reform particularly in higher and further education, improving the balance of funding between the taxpayer and those who benefit. This accounts for around 65 per cent of our savings. We are taking a tough approach to efficiency. Around 25 per cent is being saved by a number of measures including: pay restraint in partner organisations, getting a better deal on international science subscriptions, cutting 24 partner organisations, and squeezing out waste. A further 10% is being saved by cancelling lower priority work – abolishing the RDAs, ending Train to Gain and replacing it with an SME-focused training programme, and ending the entitlement for GCSE equivalent training for people over 25.

Why is there such a big cut in higher education funding?

Lord Browne's recent review recommended wide-ranging reforms to higher education funding and student finance to place the funding system on a more sustainable footing, shifting the burden from state to individual. In line with these recommendations, the Government is changing the way that higher education is funded, moving away from the current model to one where those who benefit make a greater contribution to the cost. This means we have been able to reduce the overall resource budget for higher education by 40 per cent or £2.9 billion. The Department will prioritise funding for teaching Science, Technology, Engineering and Mathematics (STEM), but will continue to fund the wide range of university subjects.

Was there any good news?

The science budget will be protected at £4.6 billion a year, a real terms reduction of only 9 per cent over the spending review period. Key projects going ahead include the UK Centre for Medical Research Innovation and the Diamond Synchrotron. We will boost spending on adult apprenticeships by £250million providing up to an additional 75,000 apprenticeship places by the end of the spending review period. A UK-wide Green Investment Bank will be created with an initial £1 billion

spending and significant additional proceeds from the sale of Government-owned assets. BIS will play a key role in the operation of the new £1.4 billion Regional Growth Fund and £200 million will support manufacturing and business development. There is also funding for the much needed modernisation of the Post Office network and £230 million for super fast broadband.

What does this mean for growth?

BIS is the Department for Growth but growth must also be sustainable. We will set out the vital role growth will play as we come out of recession in a series of policy papers and other announcements over the autumn and into next year.

What happens now?

Further details about the radical reforms to higher and further education, as well as policy papers in a range of other key areas, will be published over the next few months.

Consultations – The Department needs your views

We want your views



The Department needs you to respond to consultations as they make a difference to the outcome of the Department's policies. Please let us know your views.

Full details of the Consultation process may be found on the **BIS Consultation website** together with details of closed and archived

Consultations. You can **order a printed copy of the consultation** document online. If you would prefer to request a copy by telephone, phone **0845 015 0010**.

Once the consultation deadline has passed and we have analysed the responses, the Department will place a copy of the Government Response on the consultation's page on the BIS Consultation Website - you will find this by using the link **Closed with Response**. The Department aims to do this within three months of the date the consultation closed.

A selection of our current Consultations:

The EU Framework Programme: Call for Evidence

Open date: 13 Oct 2010

Closing date: 04 Jan 2011

This call for evidence document sets out details of the background to, and UK participation in, the EU Framework Programme for Research and Technological Development and explores areas where BIS would like to seek further views.

Interested parties can also join in an on-line discussion via the **Technology Strategy Board Connect platform** and register for the FP7 UK network and then the FP8 consultation group.

Download the consultation

- **The EU framework programme: call for evidence (PDF, 266 Kb)**
 - **EU Framework Programme: Call for Evidence response form (DOC, 244 Kb)**
-

A Long-Term Focus for Corporate Britain: Call for Evidence

Open date: 25 Oct 2010

Closing date: 14 Jan 2011

Review into corporate governance and economic short-termism.

Download the Consultation

- **The EU framework programme: call for evidence (PDF, 266 Kb)**
- **EU Framework Programme: Call for Evidence response form (DOC, 244 Kb)**

Other Departments Consultations

The **DirectGOV Website** has a full list of other Departments Consultation Websites.

Useful Link: **DirectGOV**

http://www.direct.gov.uk/en/Governmentcitizensandrights/UKgovernment/PublicConsultations/DG_170463

Publications – A selection of our Most Recent



The 2010 R&D scoreboard: the top 1,000 UK and 1,000 global companies by R&D investment. Company data

URN: 10/215A

Publication date: 25 Nov 2010

Data tables for the 2010 research and development (R&D) scoreboard. This data is also available in a machine-readable format on the BIS reports data webpage. See URN 10/31A for the commentary and analysis.



Employment Agency Standards (EAS) Inspectorate: annual report 2009 - 2010

URN: 10/498

Publication date: 25 Nov 2010

Outlines the performance and achievements of the Employment Agency Standards (EAS) Inspectorate between April 2009 and March 2010.



Chief scientific advisers and their officials: an introduction

URN: 10/1294

Publication date: 23 Nov 2010

Guidance and induction material for incoming departmental chief scientific advisers and their support teams. Covers providing scientific and engineering advice, strategic thinking and other aspects of the role.



Strategy document: further education - new horizon. Investing in skills for sustainable growth

URN: 10/1272

Publication date: 16 Nov 2010

Sets out the Government's investment strategy for further education and skills from 2011-12. Explains how funding will be prioritised for young people and those with low skills. Also initiates further consultation on Government backed fee loans and further arrangements for student/learner support. Responses

due by 31 March 2010. See also the skills for sustainable growth strategy URN 10/1274.



Skills for sustainable growth: strategy document

URN: 10/1274

Publication date: 16 Nov 2010

Sets out the Government's strategy on improving and using skills for sustainable economic growth, and extend social mobility and inclusion. Shows how the system will be reformed to better meet the needs of employers and learners. Follows the consultation (URN 10/1073) on the future direction of skills policy, and summarises some public responses to it. See also the Government's strategy for investing in skills 10/1272.

Future Manufacturing and Materials Events

Date	Event
27 Jan-11	EEF Future Manufacturing Awards
07-16 Jan -11	Tullett Prebon London International Boat Show - Earls Court
16/17-Feb-11	Southern Manufacturing and Electronics Show, Farnborough
02-Mar-11	Manufacturing Summit - Findlay Media
Mar-11	Growth Review - Advanced Manufacturing

Contact Us

We trust that you enjoyed this new edition. If you have not yet subscribed to a regular distributed copy of our publication or we can assist you with any of the issues raised in this edition please **contact us**. Your feedback on this publication is always welcome.

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<http://www.bis.gov.uk/policies/business-sectors/manufacturing-and-materials/hot-issues>

Manufacturing and Materials (MM) – Roles and Responsibilities

Name	Job Title
Marie-Anne Mackenzie (Mrs M)	Head of Manufacturing & Materials
Noreen Moriarty (Miss NF)	Personal Assistant

Relationship Management

Name	Role
Brian Greenwood	Team Leader and Relationship Management, Corus, Siemens and liaison with EEF
Sandy Grom	Engineering, non ferrous metals and composites including Rio Tinto Alcan, EAMA
Kenton Thompson	Materials and Nanotechnology Team - Technology Coordination
Ivan Youd	Nanotechnologies and Materials, Bombardier transportation and Hitachi (Trains)

Manufacturing Strategy

Name	Role
Brian Greenwood	Manufacturing Strategy Team Leader

Name	Role
Stuart Barthropp	Manufacturing Policy
Martin Gilligan	Manufacturing Strategy Implementation
Debra Huntington	Manufacturing Advisory Service and Regional aspects of Manufacturing Strategy implementation
Karen Willcocks	Managing Manufacturing Insight and Manufacturing Futures project
Russell Kerr	Manufacturing Strategy / Communications

UK Trade & Investment (UKTI)

Name	Role
Donald McNeill (Mr D)	Head of Advanced Engineering
Janet Tingle (Miss JA)	Head of Engineering within the Advanced Engineering Team.
Ben Taylor (Mr B)	Marketing Executive
Roisin McClory (Mr R)	Marketing Account Manager: Oil & Gas and Advanced Engineering (UKTI MG Marketing Services)
Faye Smith	Sector Specialist – Materials



This edition produced and Edited by the MM Central Team: Chris Griffin, Cliff Salole and Judith Williams – December 2010

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Copies of this publication are available on-line

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