

Manufacturing and Materials

Hot Issues

February 2011



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Cover Image: A skilled worker at high growth manufacturer Brompton Bicycles factory in West London

Editorial by Marie-Anne Mackenzie – Head of Manufacturing and Materials Unit

We featured the publication of the Growth review Framework for Advanced manufacturing in the last edition and it has been encouraging to see that many of you have written to provide ideas and evidence for the Growth Review. This month Hot Topics will go to all who attended the Manufacturing Summit last month and I hope that you enjoy reading our quarterly update. Please let us know if you would like to continue to see it. We are building on many of the areas raised in the summit - including updates on work underway to tackle trade barriers, support research and development. And if you did not attend you can catch up on what was covered in our first article....

Hot Topics

Manufacturing Summit and Exhibition 25 January 2011 – Martin Gilligan

A Manufacturing Summit was held at BIS on 25 January, hosted by Minister of State for Business and Enterprise Mark Prisk. Over 140 attendees from business, trade associations and others participated.

The Deputy Prime Minister spoke alongside Secretary of State for Business Vince Cable and Mark Prisk. Speeches emphasised the importance Government attaches to manufacturing to achieve balanced, sustainable growth in our economy, and on the need to tackle the outdated image of manufacturing that hinders its ability to attract the best talent.

Breakout sessions chaired by Ministers focussed on key barriers to growth and possible solutions. Output from these sessions will feed into the Advanced Manufacturing Growth Review that will report with policy proposals at Budget 2011 in March.

There was excellent feedback from participants, with companies highlighting in particular that they valued the cross-Departmental nature of the Summit; the opportunity to debate key issues with Ministers; and BIS's vital role in key areas for manufacturing such as climate change policy and green economy opportunities.



The BIS **Growth Review Framework for Advanced Manufacturing** publication invited businesses to comment to help identify solutions to barriers to manufacturing growth. The Advanced Manufacturing Growth Review will report back with policy proposals by the 2011 Budget.



To coincide with the summit, BIS held the fourth in its regular programme of exhibitions to celebrate excellence in British manufacturing, design and engineering – **details of future exhibitions can be found on our Future Manufacturing and Materials Events section (Page 26)**. This showcased companies that are contributing to a Low Carbon Economy (either directly or indirectly) and featured products from:



- **Intelligent Energy Ltd** - the builder of the world's first purpose built hydrogen fuel cell motorbike;
- **Gilbert Gilkes & Gordon Ltd** - They are at the forefront of 'Small' (up to 25mW) Hydro having built over 6,600 turbines that have been exported to 80 different countries.
- **Kensa Engineering Ltd** - the UK's only manufacturer of a full range of ground source heat pumps, a renewable technology
- **Aquamarine Power** - innovative hydro-electric wave power technology – Oyster – captures energy found in near-shore waves and converts it into clean sustainable electricity.
- **Tata Steel Europe Limited** - contributing to a Low Carbon Economy by the production of special steels and recycling. Tata produce materials for the largest single components of wind turbines, photovoltaic castings used in poly-crystalline silicon solar cells and wave energy converters.
- **ULTRA PRT (originally Advanced Transport Systems Ltd)**. - ULTRA PRT has developed their Personal Rapid Transit (PRT) system in association with the University of Bristol utilising systematic engineering analysis as the optimum solution to urban transport problems.
- **Brompton Bicycles** - has been championing UK manufacturing ever since full-time production started in 1987 and has not only invested heavily in state of the art machinery but also in the training of young people through their in-house apprenticeship scheme.

**Launch of Advanced Composite & Engineering
Development Centre in Belfast - 18 Feb
– Sandy Grom**



BIS is providing £2.7m towards the creation of a £6m Advanced Composite & Engineering Development Centre in Belfast. Invest Northern Ireland and Bombardier Aerospace are providing the remaining funding for the centre (Image to the left shows progress in the build from January 10th to 14th 2011), which was launched on 18th February and is expected to be

operational by October 2011.

The primary focus of the work within the new Centre will be advanced materials with an emphasis on the application of composite materials. In particular, the centre will help develop the ability to make large composite structures cost effectively, test them, and will secure and attract new composite research into Northern Ireland. As well as Bombardier using the centre Wrightbus the makers of London double deckers busses will use it along with other NI companies. Queens University and Ulster University will run and own the centre.

Advanced composites are lightweight, strong, durable and high-performance materials at the forefront of manufacturing technology. It is a fast growing sector where the opportunities in the UK wind turbine blade and aerospace markets alone will be worth an estimated £22bn by 2020.

Further opportunities are emerging in the automotive, marine, oil and gas, construction and space sectors.

Are you facing barriers when trading within the EU? The Department for Business, Innovation and Skills (BIS) can help - Ruchi Nanda



Around half of the UK's trade is with the European Union (EU) and, generally, it is easier to trade in Europe than with other parts of the world.

Opportunities to take advantage of EU markets have increased thanks to the recently implemented **Services Directive** which makes it easier to sell services in other EU countries. It does so by reducing and simplifying formalities that service providers need to comply with. Public bodies are required to put online all the information and transactions that companies need to go through to get licences to sell their services anywhere in the EU. To find the right national or regional portal, go to http://ec.europa.eu/internal_market/eu-go/index_en.htm and for applications within the UK, to <http://www.ukwelcomes.businesslink.gov.uk/bdotg/action/home?site=2000>.

Sometimes, however, things do not run smoothly. Legal and regulatory hurdles can pose big obstacles to UK businesses trading within the Single Market but help is at hand from the Department for Business, Innovation and Skills (**BIS**). Its EU Market Access Unit works with national authorities across the European Economic Area (**EEA**) - 27 EU member states as well as Norway, Iceland and Liechtenstein, to seek solutions wherever it can. In the event of a misapplication of European law, the team does this through SOLVIT, a free, informal problem-solving network set up by the European Commission with centres located in the EEA. Where the problem arises not as a result of the misapplication of European law but due to other national practices contrary to the spirit of the Single Market, the Unit works to resolve the issue with its contacts in the embassies and in other administrations. Some of the areas it has achieved success in include facilitating market access for goods and services, tax refunds and recognition of professional qualifications. Further information can be found at: <http://www.bis.gov.uk/EUMarketAccessUnit> and the team can be contacted on solvit@bis.gsi.gov.uk.

A business guide, "How to tackle regulatory barriers when doing business abroad", produced by BIS outlines the services that it, along with UK Trade & Investment (UKTI), offers to aid UK exporters and importers and also sets out how it can help UK firms overcome specific legal and regulatory barriers when trading globally, for example, technical regulations, unfair subsidies, onerous customs procedures and restriction on access to raw materials. It contains real-life examples of some of the businesses that have received this help. Further copies can be obtained from ruchi.nanda@bis.gsi.gov.uk.

Fuel cell durability - Dr Gareth Hinds



Scientists at the National Physical Laboratory (NPL), the UK's National Measurement Institute, are working on a project to accelerate the UK's transition to a low carbon economy, focusing on the development of in-situ measurement and modelling tools to study critical fuel cell degradation mechanisms.

NPL's challenge is to investigate what happens inside a polymer electrolyte membrane fuel cell (PEMFC) during operation in order to better understand the factors controlling its long term performance. While PEMFCs have demonstrated tens of thousands of hours of reliable performance when delivering constant current, they suffer from poor durability under dynamic load, particularly in start-up/shut-down mode.

Central to the NPL fuel cell research programme is the NPL fuel cell model, which is based on continuum thermodynamics and represents a step change in what was previously available to industry users. The NPL model has been successfully incorporated into a commercial software package (Comsol) for ease of use by industry and is supported by a range of in-situ measurement techniques, including a world first measurement of relative humidity along both channels of an operating PEMFC. These tools are now being applied to enhance fundamental understanding of fuel cell degradation mechanisms, facilitating design optimisation.

The work is supported by the UK Government's Department for Business Innovation and Skills and an Industrial Advisory Group comprising Johnson Matthey, Intelligent Energy, Acal Energy, Imperial College, C Tech Innovation, AFC Energy and UCL.

Improvements to fuel cell durability are vital to the world's fuel cell and hydrogen industry. The UK fuel cell and hydrogen sector has the potential to become Britain's low carbon energy success story but the three major issues confronting fuel cell developers and manufacturers are cost of materials and processing, the lack of a refuelling infrastructure and limited durability of fuel cell systems in service.

NPL will continue its work in this important area, supporting the development of more durable and cost effective fuel cells.

Contact: Dr Gareth Hinds
gareth.hinds@npl.co.uk

Manufacturing and the role of the Technology Strategy Board - Paul Whitemore (TSB)



The Technology Strategy Board is a key BIS delivery partner whose role is to accelerate the pace of business innovation across the UK – and so contribute to economic growth. Established as a separate body in 2007, the organisation works with business and researchers and across government to speed up the development of new ideas into innovative products and services.

In the coming years, the spoils will go to the businesses and countries which can use research and innovation to develop and deliver new market solutions – whether new answers to the global challenges of our day such as climate change and transport emissions, or products and services based on ‘disruptive’ technology advances.

To accelerate innovation, the Technology Strategy Board brings partners together to find new and better solutions, and co-funds a wide range of research and development programmes. It also champions the SBRI innovation procurement programme, delivers the Knowledge Transfer Partnerships, and runs a range of networks which play a powerful role in promoting innovation through knowledge exchange.

Growing manufacturing is a key part of the government’s strategy to rebalance the economy, building on the UK’s strong, if slowly declining, position of 6th in the world league tables of manufacturing output. To promote innovation and growth in the sector, the Technology Strategy Board focuses on areas where the UK has strengths and can become sustainably competitive on the world stage – such as biotechnology, plastic electronics and fibre reinforced polymer composites, as well as areas where it is already strong and where we intend to maintain that leadership, such as aerospace and pharmaceuticals. Manufacturing is also part of the critical path to commercialisation for almost everything else the Technology Strategy Board supports, from photonics to low carbon vehicles.

The organisation’s strategy for manufacturing encompasses both the development of innovative high value processes, and the manufacture of high value products. It looks at manufacturing throughout life, from the design of the process to the product, the service operations and the end of life fate including recycling. And it invests in innovation in cross-cutting areas that enhance manufacturing processes - such as the application of ICT - and in sustainable manufacturing, in the belief that social, environmental and economic sustainability are vital to achieve global leadership.

A major investment in UK innovation announced recently is the new network of elite technology and innovation centres, to be established and

overseen by the Technology Strategy Board, with the first focusing on high value manufacturing.

A prospectus for the centres, published in January 2011, described initial proposals for objectives, role, governance and funding, and identified potential areas of technology. The strategy and implementation plan is being developed, and the broad participation of industry and research is being invited so that the new network can add maximum value to the UK innovation system.

As the Technology Strategy Board continues to look at the future of high value manufacturing, its strategy for the sector will be refreshed - with input from the manufacturing community - to ensure that it continues to make the most of the UK's strengths and contribute to the growth of the economy through innovation.

For more information on the work of the Technology Strategy Board see www.innovateuk.org.

The Engineering and Physical Sciences Research Council (EPSRC) - Jenny Aranha (EPSRC)



The Engineering and Physical Sciences Research Council (EPSRC) is the UK's main agency for funding research in engineering and physical sciences. The areas covered range from information technology to structural engineering, and mathematics to materials science.

EPSRC is helping to pioneer a prosperous future for the UK by creating innovative manufacturing processes that business can use – creating new industries and jobs.

EPSRC-sponsored research in manufacturing covers core science, simulation and design, production, fabrication, systems and services. It is helping drive the innovation in high-value manufacturing necessary for competitive aerospace, pharmaceutical and healthcare engineering sectors. EPSRC is unique in supporting basic manufacturing research through to the stage where applications can be developed by large manufacturers and SMEs or agencies such as the Technology Strategy Board and the Energy Technologies Institute.

EPSRC is investing £1.2 billion in manufacturing-related research and training – supporting over 2,500 research projects and more than 2,700 PhD students, and collaborating with more than 2,000 companies.



In January, Minister of State for Universities and Science, David Willetts MP, launched five centres for industrial doctoral training. The £7 million investment will be spent training engineers of the future. The new EPSRC centres will help students taking an engineering doctorate (EngD) to understand the needs of business and develop entrepreneurial skills, as well as

train them in the most innovative future technologies in advanced manufacturing.

At the core of EPSRC's future strategy is a commitment to invest in high-value specialist manufacturing, underpinned by the research base. The Manufacturing the Future theme builds on existing investments and focuses on skilled leaders, sustainable manufacturing and training more researchers.

Stressing the importance of supporting research into manufacturing and materials, Chief Executive of EPSRC, Professor Dave Delpy, said: "Building on our internationally excellent research base, we are committed to creating an environment that in addition, encourages innovation, further stimulates creativity and drives cultural, commercial and technological advances. To meet these goals, we are shaping our portfolio towards the needs of manufacturing industries, growing capability in areas where the market opportunity is well-developed and in frontier manufacturing, where the research opportunity is strong but applications are nascent".

"Working with our partners in industry and other stakeholders, we will work to ensure UK manufacturing gets the most out of the resources we have, the research we fund, the facilities we use and the leaders who inspire us."

Case study:



A team of engineers and scientists based at Imperial College London have developed a new type of cement doesn't just have a much smaller carbon footprint but, in net terms, actually absorbs CO₂ from the atmosphere during manufacture.

Their potentially game-changing breakthrough is heading towards manufacturing reality thanks to Novacem, a spin-out business set up by Imperial Innovations (which aims to maximise commercial opportunities arising from research at the college).

Novacem plans to have an industrial-scale pilot plant up and running in 2011, with the first volume production facilities operational from 2014/15. The origins of this potential step-change in the way we meet our need for cement lie in an EPSRC-funded project at Imperial College London back in 2004. For further information, please visit www.epsrc.ac.uk

Materials KTN – Building on Success - Jackie Butterfield (MATUK)



The Materials Knowledge Transfer Network (KTN) held its second “Building on Success” Event at the Boilerhouse, Grantham on 16 December 2010.

The event included a panel debate on raw materials scarcity and security of supply.

The debate was chaired by Quentin Cooper, presenter of BBC Radio 4's The Material World and the panel members were Dr Robert Quarshie, Materials KTN, Dr Alan McLelland, NAMTEC and Dr John Morlidge, Technology Strategy Board. In his introduction to the debate, Quentin explained some of the contributory factors which may lead to a scarcity or a threat to the security of supply of materials in the future including political, geological and demand outstripping resources.

Europe has begun to address this issue and has developed a list of critical materials which it considers to be “at risk”. Many of these materials are vital to everyday products such as computers, mobile phones and catalytic convertors.

Materials KTN are working with UK Government Departments to understand the technological issues surrounding materials scarcity and security of supply in order to make UK plc more sustainable.



A number of issues and questions were raised during the debate which the UK will need to address in order to ensure a secure and sustainable supply of raw materials in the future:

- ❖ There is a need to understand exactly which materials are critical and in which applications.
- ❖ What is the exact timescale for the exhaustion of existing and future raw materials supply?
- ❖ Where does recycling become the economically viable option?
- ❖ What new processes for recycling and recovery of materials need to be developed and should incentives be offered to encourage adoption?
- ❖ Does the UK have the recycling infrastructure and capability to undertake the necessary materials recycling?
- ❖ What research is needed to develop recycling technology and effective materials substitution?
- ❖ Should business solve this issue or is it a matter for the Government?
- ❖ There is a need to design products for recycling. Does the design community have a role to play in making the use of recycled materials more acceptable in the marketplace?
- ❖ Will different sourcing models be needed in the future?
- ❖ What is the role of innovation in addressing this challenge?

The Materials KTN

(<https://ktn.innovateuk.org/web/materialsktn>) will be continuing activities in this area including a series of community discussion meetings in March 2011 and materials security will be the theme of the 2011 Annual Event on 18 May at the Royal Society London.

**UK International Composites Exchange (ICE) in
Manchester, Belfast and Bristol;
21-25 March 2011 - Philip Bales (UKTI SG)**

UKTI Advanced Engineering Sector Group is hosting a major International Composites Event in the UK from the 21-25 March, involving 10 markets and up to 30 international companies and delegates.

The event will incorporate an aerospace materials mission from China. Delegates will be visiting the North and South West regions and Northern Ireland, where they will meet UK companies through targeted one-to-one international business exchange meetings, with high-profile buyers, partners and investors, and networking events.

UK companies have a unique opportunity to meet high profile international companies in the composites industry to discuss future potential collaborations and find out more about the business opportunities in-market.

Full programme details and company profiles will be available on the event web site, <http://compositesuk.co.uk/IndustryEvents/IndustryCalendar/tabid/63/ModuleID/422/ItemID/143/mctl/EventDetails/Default.aspx>, which companies can use to register their interest and book business meetings on line.

Latest BIS News

Growth Review update



Growth remains at the top of the Government's agenda, with the Prime Minister promising a [budget for growth](#) at the recent World Economic Forum, and the Deputy Prime Minister setting out the Government's vision for building a new economy in a recent speech.

Referring to the Growth Review, Nick Clegg said he sees no need to apologise for taking time to consult rather than rushing out a new strategy. The review will produce a "grounded, evidence-based and properly thought-through" approach, ahead of the budget on 23 March, he said.

So what is the Growth Review? Last November Secretary of State Vince Cable and Chancellor George Osborne announced a fundamental review of what each part of Government is doing to create the best conditions for private sector growth.

Work is now in full swing. It is focusing on an initial 12 areas: six cross-cutting themes affecting the whole economy, such as regulation and trade, and six sectors where the removal of barriers presents clear opportunities for growth.

As part of the Growth Review, ministerial meetings chaired by Vince Cable and George Osborne have been taking place. These have now reached the halfway stage, having covered six of the 12 focus areas. The remaining themes will be discussed by the end of February, with proposed policy measures to be signed off in March so they can feed in to Budget.

The Growth Review is central to BIS's work as the Department for Growth, but a lot of our other work – on areas like regulation, research, entrepreneurship and skills – supports the wider growth agenda. The Budget announcements are just the first phase of the Growth Review, which will last for the lifetime of this Parliament.

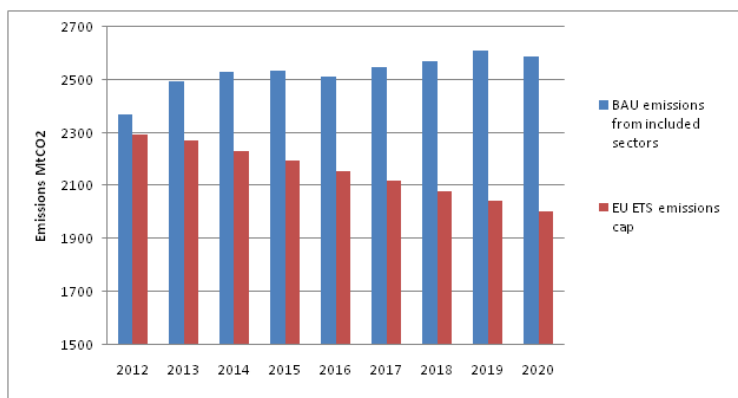
Next phase of the EU Emissions Trading System



DECC have recently negotiated a big step forward in EU Member States' efforts to drive down emissions from heavy industry. **The EU Emissions Trading System (EU ETS)**, is the EU's flagship tool for reducing CO₂ emissions and aims to reduce emissions from heavy industry and electricity generators by 21% from 2005 levels by 2020.

The latest agreement, made after two years of evidence gathering and extensive negotiation, sets out the rules for distributing free emissions allowances to companies in a way that encourages them to carry out increasingly ambitious mitigation action, while managing the impacts of the new system on their competitiveness.

It marks a big step forward from the current phase, where emissions allowances were awarded on the basis of historic emissions. This new approach will reward early movers and create extra incentives for emitters to cut emissions. It also paves the way for full auctioning of allowances where emitters would buy all their allowances from the market; one of the Coalition Government's commitments.



This year promises to be a busy year as preparations commence for bringing in phase III of the ETS from 2013. This will include a vote on whether to restrict the use of certain Clean Development Mechanism (CDM)

credits, submitting UK National Implementing Measures (emissions allocations to UK industry) by the end of September and preparations to include aviation from 2012.

60 seconds on... reforms to government support for starts ups and SMEs



As part of the Government's plans to drive the growth of small business, the Business Link service will go through important changes.

Why do we need reforms?

Most business support comes from the private sector, not government. Businesses want advice from other business people, so we need to encourage the private market for business support and invest only where Government funds can make the biggest difference.

There are now many excellent private providers of business advice as well as business networks, both online and offline. Government's role is not to duplicate this activity, but to intervene only where needed.

How will the Business Link website change?

We are taking on board the feedback we've received from users and overhauling the website to bring it up to date with Web 2.0 technology so that it can provide online business information and tools tailored to business needs. Users will be able to personalise the space, for example setting automatic updates on the information they want. We'll also build in a dedicated start-up hub bringing together in one place the information that people need when they are thinking of starting or are running a new business.

What else will be improved?

There will be a single national telephone contact centre to support the online service. Trained staff will provide a link between the information on the web and business, as well as signposting them to other sources of support in the private sector.

What will happen to the Business Link regional service?

The network of local and regional Business Links providing advice to business will be closed. It's received mixed views over the years and the Government believes there are more efficient and effective ways to deploy limited government funds to drive growth.

Having said that, the service will continue to run for nearly a year (25 November 2011) to ensure a smooth transition to the reformed service. We will also work with Regional Development Agencies and their Business Link providers to ensure business customers know where to go when they are no longer able to access the regional services.

What support is there for companies with high-growth potential?

Over a three year period high growth firms were credited with creating around half of all net employment growth amongst established businesses. Business Coaching for Growth is a new service that will provide strategic advice to fast-track businesses at key stages: introducing new products, services or processes; entering new markets;

improving skills and accessing external finance. Business Coaching for Growth will also put these firms in touch with external sources of knowledge and investment.

What will happen to encourage mentoring amongst small firms?

Small business owners have repeatedly told us that the advice they value most comes from other experienced business people. Working with the British Bankers Association, UK Trade Bodies and mentoring organisations, there will be a new national website that will enable all businesses to secure the right business mentor for their needs. This will bring together at least 40,000 mentors in a single network and will link directly to other sources of advice and guidance.

60 seconds on... higher education reform



What has the Government announced so far?

In December both Houses of Parliament approved an increase in the cost of university tuition. From Autumn 2012, all universities will be able to charge a basic threshold of £6,000 a year for their courses. Some will be able to charge up to £ 9,000 a year for their courses but this will be subject to meeting much tougher conditions on widening participation and fair access.

Why do we need to make this change?

The Government must deliver a tough deficit reduction programme and the present system is unsustainable in both the short and the long term. We agreed with the independent review undertaken by Lord Browne that graduates who benefit from university courses by earning higher salaries should contribute more to the costs of higher education. So we are shifting the balance of contributions from the taxpayer to graduates, who benefit the most through higher earnings over the course of their working lives.

Won't this put students off university?

It shouldn't, because no-one needs to pay upfront. Loans to cover both course and living costs are available for all full-time first-degree students. These are only repaid when they are earning more than £21,000 per year. And one of the biggest changes is that part-time students, who previously had to pay their course fees up front, will no longer have to do so because they too will be able to access tuition loans.

What will Simon Hughes' role be as Advocate for Access to Education?

It is important that young people's aspirations to higher education are not dented by misconceptions about its accessibility. **Simon Hughes has been appointed Advocate for Access to Education** to ensure that the Government meets its policy goal of maintaining access to education from a diverse range of backgrounds.

The main emphasis of his role will be about making sure people understand the support available to them and can find accurate, helpful information about their choices. He will be engaging directly with young people, their parents and teachers, to listen to views and understand issues relating to access to post-16 and higher education. This will inform our communications strategy and policy development.

How will students from lower income households be helped?

Students from lower income households will actually be able to access more support under the new system. There will be more generous non-repayable grants for living costs and a new £150 million National Scholarship Programme. How the programme works and the criteria for eligibility are currently being developed by an expert panel from across the sector and interested groups. Simon Hughes will also be invited to join the group.

How will universities cope with less money?

They won't necessarily be getting less money – it's simply a change in the way they receive their money. Previously this was primarily from a Government grant, via the Higher Education Funding Council for England (HEFCE). There will still be some HEFCE grant but in the new system most funding will flow through students who will be supported by a Government loan.

As outlined in a [letter from Vince Cable and David Willetts to HEFCE](#) in December, over the Spending Review period revenue funding for higher education, in terms of grants from HEFCE for teaching and research plus income from tuition charges backed by Government loans to students, will rise from around £9 billion in 2011-12 to around £10 billion in 2014-15.

What are our aspirations for the higher education sector?

Universities have a vital role in driving social mobility and growth so we have high ambitions for the sector – we want it to provide world-class teaching and research, with long-term potential to expand and deliver the graduate and post-graduate skills to drive economic growth. We also want to ensure that higher education and businesses work together to commercialise research, and increase productivity and innovation.

So what happens next?

The student finance reforms are the first part of a wider package of higher education reforms, which will be published in a White Paper in the early part of this year. Its content is being finalised, but is likely to include aspects such as encouraging universities to work more closely with businesses, opportunities for new types of higher education providers and mechanisms to improve teaching quality and fair access.

There will be a consultation after the White Paper and then a Higher Education Bill to reform the higher education system will be developed, which is expected to be introduced to Parliament in mid-2012.

How can I find out more information?

You can read an [overview of the reforms](#) on the internet.

North East joins local enterprise partnership network

A local enterprise partnership for the North East of England received approval in early January 2011. The partnership, covering seven local authority areas, joins the 27 partnerships already announced since the Government's Local Growth White Paper was published in October 2010.

A partnership for the Tees Valley area has already been invited to put its governance arrangements in place. The approval means that the entire North East region is now covered by two local enterprise partnerships.

Local enterprise partnerships bring together local business and civic leaders, working to support their local economy. They will operate within a geography that reflects natural economic areas and will provide the vision, knowledge and strategic leadership needed to drive sustainable private sector growth and job creation in their area.

Business leaders have also established a North East Economic Partnership (NEEP) to work on issues of strategic importance across the North East to look at and promote co-operation between the two LEPs. This is an Independent Forum, which the Government supports. However, it is not a local enterprise partnership and therefore did not need Government approval.

All proposals for partnerships have been assessed in line with the expectations set out in the 29 June 2010 letter from the Business Secretary and the Secretary of State for Communities and Local Government.

Changes to the Default Retirement Age (DRA)



The Government has confirmed that it will remove the Default Retirement Age (DRA) so that people have more choice when to stop working. As well as benefiting individuals, the freedom to work for longer will provide a boost to the UK economy.

Ministers have decided to proceed with their plan to phase out the DRA between 6 April and 1 October 2011. Currently the DRA enables employers to make staff retire at 65 regardless of their circumstances, but the Government feels the rules must change as people are living longer, healthier lives. Employment Relations Minister Edward Davey said:

“Retirement should be a matter of choice rather than compulsion – people deserve the freedom to work for as long as they want and are able to do so.

The Government will help employers adapt to the change – it:

- **Has worked with ACAS (Advisory, Conciliation and Arbitration Service) on new comprehensive guidance.**
- **Has also published new Age Positive guidance setting out how many employers manage without fixed retirement ages and benefit from the employment and retention of older workers.**
- Will remove the administrative burden of statutory retirement procedures. With the DRA gone there is no reason to keep employees ‘right to request’ working beyond retirement or for employers to give them a minimum of six months notice of retirement.
- Will introduce an exception so that there are not unintended consequences for employers that currently voluntarily offer group risk insured benefits (income protection, life assurance, sickness and accident insurance, including private medical cover). There had been concern that removal of the DRA could lead to increased costs and uncertainty for businesses by in effect removing the cut-off point beyond which such benefits are currently no longer offered.

The change means that from 6 April 2011, employers will not be able to issue any notifications for compulsory retirement using the DRA procedure. Between 6 April and 1 October, only people who were notified before 6 April, and whose retirement date is before 1 October can be compulsorily retired using the DRA. After 1 October, employers will not be able to use the DRA to compulsorily retire employees.

Although the Government is removing the DRA, it will still be possible for individual employers to operate a compulsory retirement age, provided that they can objectively justify it. Examples could include air traffic controllers and police officers.

The deregulatory measure is one of the steps the Government is taking to help encourage people to work for longer against the backdrop of demographic change. Others include raising the state pension age to 66 faster than currently scheduled and re-establishing the link between earnings and the basic state pension.

Government proposes workplace dispute reforms

The Government has announced the next steps in its comprehensive review of employment laws.

New plans to improve the way in which workplace disputes are resolved have been published alongside an "Employer's Charter". The measures are designed to give businesses more confidence to take on workers and support growth.



Tribunal claims rose to 236,000 last year – a record figure and a rise of 56 per cent on 2009 – and business has to spend almost £4,000 on average to defend itself against a claim. Concerns have been raised by businesses that the system has become too costly, takes too much time, places unnecessary strains on small businesses and that it is too easy to make unmerited or vexatious claims.

The Government wants to enable workplace disputes to be resolved as early and as easily as possible. The key proposals set out in a **consultation**. They are:

- **Giving businesses greater confidence to hire new staff by increasing the qualifying period for employees to be able to bring a claim for unfair dismissal from one to two years** - this will also ultimately reduce the number of disputes that go to employment tribunals.
- **Encouraging parties to resolve disputes between themselves as early as possible** – requiring all claims to be lodged with ACAS in the first instance to allow pre-claim conciliation to be offered. This also includes introducing settlement offers to encourage parties to make reasonable offers of settlement to avoid tribunal hearings and encouraging parties to consider other forms of early dispute resolution such as mediation.
- **Speeding up the tribunal process** – extending the jurisdictions where judges would sit alone to include unfair dismissal, introducing the use of legal officers to deal with certain case management functions and taking witness statements as read. This will result in employment tribunal resources being used more efficiently and allow cases to be listed and heard more quickly, saving time and cost.
- **Tackling weak and vexatious claims** – providing the employment tribunals with a range of more flexible case management powers so that weaker cases can be dealt with in a way that does not mean disproportionate costs for employers.

Employment tribunal proposals

There is also a commitment for the Ministry of Justice to consult separately on introducing fees for employment tribunal cases and appeals, to ensure that users contribute towards the cost of running the system.

The consultation document also includes proposals to:

- **Increase the provision of information** – aimed at reducing speculative claims, this would require more information on the nature of the claim being made and to include a statement of loss. It will help parties to decide whether to agree a settlement offer or proceed to a tribunal hearing.
- **Withdraw the payment of expenses** - encouraging parties to either settle earlier or reduce the number of witnesses they call.
- **Introduce financial penalties for employers found to have breached rights** – aimed at encouraging greater compliance from employers and thus a reduction in the number of tribunal cases.

The intention of the charter is to raise awareness and give clarity amongst employers on what they can and can't do when managing their staff and covers a wide range of employment law issues.

The employment law review is taking a comprehensive look at employment legislation across government. In the next few months, we will consider the requirements on employers when they take on staff to ensure that it is as simple and straightforward as possible. As part of this, the Government intends to publish a model contract for employers shortly.

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 going to the [Closed with Response](#) page. The Department aims to do this within three months of the date the consultation closed.

A selection of our current Consultations:

Consultation on Toy Safety

Open date: 04 Feb 2011

Closing date: 01 Apr 2011

The implementation of the Directive on the safety of toys – Directive 2009/48/EC - more usually known as the “Toy Safety Directive” (the Directive). Member States have until 20 June 2011 to bring these Regulations into force.

The consultation invites views on the draft Regulations and the attached Impact Assessment.

Download the consultation

- [Consultation on the Toys \(Safety\) Regulations 2011 \(PDF, 776 Kb\)](#)

Resolving workplace disputes - public consultation

Open date: 27 Jan 2011

Closing date: 20 Apr 2011

This consultation, conducted by the Department for Business, Skills & Innovation (BIS) and the Ministry of Justice’s Tribunals Service, is a significant first step in taking forward the Government’s review of employment law.

Download the consultation

- [Resolving workplace disputes: a consultation \(PDF, 527 Kb\)](#)
- [Resolving workplace disputes: a consultation - response form \(DOC, 346 Kb\)](#)
- [Resolving workplace disputes: a consultation. Impact assessment \(PDF, 934 Kb\)](#)

Consultation on the repeal of the Property Misdescriptions Act 1991

Open date: 11 Jan 2011

Closing date: 05 Apr 2011

The Department for Business, Innovation and Skills is seeking views on the possible repeal of the Property Misdescriptions Act 1991 (PMA). The PMA makes it an offence to make false or misleading statements in the course of an estate agency or property development business about property offered for sale. The Consumer Protection from Unfair Trading Regulations 2008 (CPRs) provides similar protections for consumers. This duplication may be unnecessary; putting additional burdens on business, without providing additional protection for consumers. The consultation considers whether the Government should repeal the PMA, now that the CPRs are in place.

Download the consultation

- [Consultation on the repeal of the Property Misdescriptions Act 1991 \(PDF, 304 Kb\)](#)

A new approach to financial regulation: Consultation on reforming the consumer credit regime

Open date: 21 Dec 2010

Closing date: 22 Mar 2011

The Government wants to ensure that the consumer credit regime is fit for the future, flexible and able to keep up with a fast-paced, innovative market.

This consultation, conducted jointly by HM Treasury and the Department for Business, Innovation and Skills, considers the merits of transferring responsibility for consumer credit regulation from the Office of Fair Trading (OFT) to the new consumer protection and markets authority (CPMA - working title).

Download the consultation

- **A new approach to financial regulation: consultation on reforming the consumer credit regime (PDF, 748 Kb)**
- **Impact assessment (IA): options for reform to regulatory framework for consumer credit (PDF, 537 Kb)**

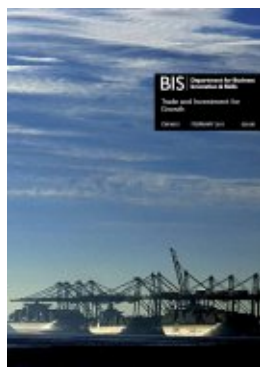
Other Departments Consultations

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



Trade and Investment Growth

URN: 11/717

Publication date: 9 Feb 2011

Command Paper 8015. White paper setting out the Government's strategy for how trade and investment and securing the benefits of greater openness can drive the UK's economic recovery. Printed copies are available from The Stationery Office, priced £20.50 (ISBN: 9780101801522).



Employer's charter

URN: 11/680

Publication date: 27 Jan 2011

A list of what an employer can do in managing their staff reasonably, fairly and lawfully. Provides clarity for employers on what steps they can take when handling workplace issues with staff.



Annual innovation report 2010

URN: 11/P188

Publication date: 25 Jan 2011

Third annual report that analyses innovation in 2010. Provides a quick and condensed overview of who undertakes innovation, how much money is invested, some of the activities being undertaken, including investment in R&D, and some outcomes that are achieved. Relates to the Innovation nation white paper (URN 08/773).



Employer perspectives on part-time students in UK higher education

URN: 11/655

Publication date: 25 Jan 2011 BIS research paper no. 27. Draws on recent surveys of part-time students and their employers in the UK in order to investigate the extent and nature of employer support for part-time higher education study. Looks at the perceived advantages and disadvantages of this kind of study for the organisation concerned.



The future of food and farming: challenges and choices for global sustainability. Final project report

URN: 11/546

Publication date: 24 Jan 2011

Final report of the Foresight 'Global food and farming futures' project. The report explores the pressures on the global food system between now and 2050, identifying decisions that policy makers need to take to ensure that a global population rising to nine billion or more can be fed sustainably and equitably.



BIS FE & Skills newsletter: Friday, 21 January 2011

URN: 11/P87A

Publication date: 21 Jan 2011

News and information for the further education (FE) and skills sector. Aims to improve communications on policy issues with FE and skills providers and partners including all colleges and providers, adult education services and partner organisations. Covers the skills conditionality consultation.



Specification of apprenticeship standards for England (SASE)

URN: 11/521

Publication date: 20 Jan 2011

The Specification of Apprenticeship Standards for England (SASE) sets out the minimum requirements to be met by all Apprenticeship frameworks in England. Covers intermediate level, advanced level, and higher apprenticeship frameworks. Compliance with the SASE is a statutory requirement of the Apprenticeships, Skills, Children and Learning (ASCL) Act.



Dealing with debt: how to make someone bankrupt

URN: 11/692

Publication date: 2 Feb 2011

Answers common questions about how to make someone who owes you money bankrupt, and explains what happens after the bankruptcy order is made.

Future Manufacturing and Materials Events

Date	Event
21-Feb - 4 Mar -11	Olympics Showcase
24 Feb 2011	Nano4Life 2011
02-Mar-11	Manufacturing Summit - Findlay Media
14-25 Mar -11	Automotive Showcase
March 17 to 19	Federation of Small Businesses National Conference – Liverpool
06-17 Jun-11	Composite Materials Showcase
Jul - Aug -11	Launch of National Composite Centre, Bristol
Sept - Oct 11	Launch of Northern Ireland Composite Centre

Future Events

Event announcement

Advanced Structural Health Monitoring Seminar

Wednesday 1 June 2011 at NPL,
Teddington, London

The seminar will present the latest research and implementation of structural health monitoring in the transport sector. The meeting is aimed at asset holders, asset managers, plant managers, regulators and insurance industry, maintenance organisations, engineers, scientists and researchers directly involved in Structural Health Monitoring.

To register contact Shelley.sharma@npl.co.uk

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.

**Department for Business Innovation and Skills
Manufacturing and Materials Unit**

Bay 4.42
1 Victoria Street
London
SW1H 0ET
United Kingdom

Telephone: 020 7215 6517

E-Mail: **BIS – Hot Issues** (businessrelations.hotissues@BIS.gsi.gov.uk)

Please see our website for an electronic version of this publication.

<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
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 BIS AMS-MM Central Team:
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E-mail: **Hot Issues** (hot.issues@bis.gsi.gov.uk)

Tel: **020 7215 6517**
BIS General Enquiries Tel: **020 7215 5000**