



Department
for Business
Innovation & Skills

BIS - North West

SMMT SME Support Roadshow - North West

5th March 2014

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Agenda

- BIS - North West
- Manufacturing Policy & Industrial Strategy update
- Automotive Investment Organization & RESHORE UK
- Next Steps - Opportunities



BIS - Local Growth Directorate (LG)

- Strengthening **local growth capability**
- Ensuring that **local leaders** have the **levers and resources** they need to drive economic growth
- Supporting local areas develop growth strategies and secure **Growth Deals**
- Helping ensure effective delivery of the **Industrial Strategy** and other growth-related policies



Local Growth Policy

- Policy & support for **Local Enterprise Partnerships (LEPs)**
- Policy on **Growth Deals** and the c.£2bn **Local Growth Fund** announced at Budget 2013
- Policy, negotiation & implementation of **City Deals**
- Influencing the development and delivery of the **Enterprise Zone** programme
- EU Funding and Industry Policy
- Regional Opportunities, Shocks, etc.
- Helping the BIS Local teams work effectively



Local Growth Delivery

- HMG support for LEPs:
 - Up to £500k a year for 14/15 offered to each LEP for core funding + development of strategic plans
 - Network of LEP Senior Whitehall Sponsors in place
 - Developing Local Growth Teams to enhance cross-departmental working with LEPs
- Looking forward:
 - From 2015, HMG will allocate funding from the Local Growth Fund (LGF), through Local Growth Deals based on LEP strategic plans
 - New delivery model for EU Structural and Investment funds
 - LEP investment strategies being developed to access these funds (alongside the LGF)



BIS Local Coverage

BIS Local

6 teams - Staff in London, Leeds, Manchester, Birmingham, Nottingham, Bristol, Gateshead, Cambridge, Plymouth, Guildford

Work with strategic stakeholders; LEPs, local authorities, universities, colleges, business organizations and businesses, as well as other parts of Government to drive growth at local level.

Five LEPs (Liverpool, Manchester, Cheshire & Warrington, Lancashire, Cumbria)





Government Initiatives – North West

- City Deals (Manchester, Liverpool (x2) & Preston)
- Five EZs (Airport City, Mersey Waters, Sci-Tech Daresbury, Lancashire, & Liverpool C)
- 83 RGF awards (£430m, private sector investment ca. £2.4bn)
- Growing Places Fund (£95m, lions share to Liverpool and Manchester)
- EOPs (Gtr Manchester, Liverpool CR, Manchester Airport, BAE, etc).
- AMSCI: National + Regional (Liverpool CR) (Automotive and Aerospace)
- HS2 (stations at Manchester Airport and Piccadilly and faster links to Crewe, Liverpool, Preston)



BIS NW Role – Localism

To Help Identify, Support & Realise Opportunities for Economic Growth in the North West

Policy



Our Priorities



LEPs & Cities



Incentives



Ministerial

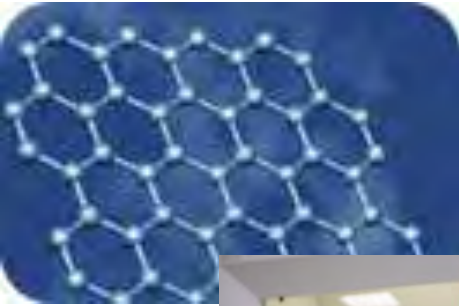


Opportunities & Shocks



BIS NW - Our Priorities

Science & Innovation



Nuclear & Low Carbon



Advanced Manufacturing



Digital & Creative





The UK Growth Strategy:

Strong, sustainable and balanced growth

Deficit reduction, Monetary activism and Supply-side reform are a core part of the Government's approach to improving growth.

The Government's 4 Growth Ambitions are to:

- Deliver the most competitive tax system in the G20
- Make UK one of the best places in Europe to start, finance and grow a business
- Encourage investment and exports as a route to a more balanced economy
- Create a more educated workforce that is the most flexible in Europe



Government approach to Manufacturing

- The Government has **focussed on Advanced Manufacturing** where the UK has the clearest competitive advantage
- The approach includes **addressing key market failures** around:
 - skills supply at all skills levels
 - the commercialisation of technology and innovation
 - investment
 - strengthening UK supply chains
 - promoting the image of the sector
- And close working with industry** – Government engages with the manufacturing sectors in a range of ways, including Sector Forums and Councils, Annual manufacturing summits, and dedicated Relationship Management for key sectors and companies and through the BIS Local Network.
- Manufacturing also benefits from a range of Government actions to improve the general climate for business



Industrial Strategy: government and industry in partnership

Industrial Strategy: giving businesses the confidence to invest.

Key principles:

- Long term;
- Partnership with business; and
- Whole of Government approach.



Five themes of Industrial Strategy:

- Supporting **emerging technologies** including the “8 Great”;
- Working to improve **access to finance** for businesses;
- Working with business to help develop **skills** that businesses will need;
- Publishing public sector **procurement** pipelines worth £175bn to help businesses plan for future government contract opportunities.
- A **spectrum of support** for all sectors:





Technologies

We are investing in emerging technologies, where the UK has the depth of research expertise and the business capability to develop and exploit these.

- £600 million is being used to support the [eight great technologies](#)



Big data



Space technology



Synthetic biology



Advanced materials and nanotechnology



Robotics



Energy storage



Agri-science



Regenerative Medicine

- The first seven Catapult centres are now open for business with total public and private investment exceeding £1.4 billion over their first 5 years of operation. An additional £185m funding for the TSB has been committed for SR 2015-16, which will be used towards new Catapults in Energy Systems and Diagnostics for Stratified Medicine.
- [Patent Box](#) introduced progressively from April 2013 will provide reduced corporation tax rate of 10% for companies exploiting patented inventions
- Autumn Statement 2013 set out a £270m investment in quantum technologies over five years to develop a network of research centres, improve high level skills, and confirm our position as a global leader in this cutting edge field of research.



Sectors

Published



Life Science Strategy (Dec 2011) and one year on update (Dec 2012)

Aim: To make the UK the global hub for life sciences



Nuclear (March 2013)

Aim: Grow the global market share; set out role that nuclear plays in UK energy mix



Construction

(July 2013) Aim: make the UK the global leader in sustainable construction



Aerospace (March 2013)

Aim: Maintain existing UK market share; secure UK employment



Oil and Gas (March 2013)

Aim: Increase inward investment in energy supply chain



Agri-tech

(July 2013) Aim: increase inward investment and exports



Professional Business Services

(July 2013) Aim: make the UK the global hub of expertise



Automotive

(July 2013) Aim: Investment in R&D; grow and develop UK supply chain



Offshore wind

(August 2013) Aim: Build competitive and innovative UK supply chain



Education

(July 2013) Aim: Increase the UK's education exports



Information

Economy (June 2013) Aim: to seize the opportunities from new ICT technology



Strengthening Manufacturing Supply Chains

Support to improve competitiveness of UK Supply Chain activity:

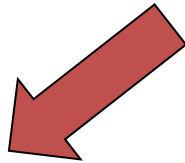
- **Advanced Manufacturing Supply Chain Initiative:**
 - Launched by The Secretary of State in December 2011. AMSCI has made £245m available to support the repatriation, anchoring and growth of manufacturing supply chains in England.
 - In Autumn 2013 the SoS announced further rounds of AMSCI
 - Expect announcement of 2014 activity shortly.
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- **Manufacturing Advisory Service:** New MAS service includes £7 million of funding to deliver supply chain activities over the next three years.
 - **Procurement and supply chain capability:** government shifting to more strategic relationship with suppliers. Sector Strategies including a focus on UK Supply Chains and relationships with enabling sectors.



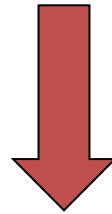


Image of Manufacturing

Advanced Manufacturing Growth Review package of measures to help change perceptions of manufacturing.



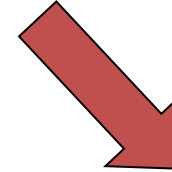
Made in Britain exhibitions focussing on success, capability and growth



Make it in Great Britain Campaign
an exhibition of the best of innovative British manufacturing held at the Science Museum



See Inside Manufacturing
initiative that encourages young people to consider a career in manufacturing.



Queen Elizabeth Prize for Engineering launched 17 November.

£1m bi-annual prize to be awarded by RAE.





Exporting forms a core strand of the Government's Plan for Growth

The Government's ambitions:

- Doubling UK exports to £1 trillion a year by 2020;
- Getting 100,000 more UK companies exporting by 2020;
- Getting one in four UK companies to export (European average) rather than one in five at present; and
- Maintaining the UK's position as the most favoured location in Europe for inward investment and doubling the UK's stock of FDI to £1 trillion by 2020



UK exporters
account for
70% of
business R&D.



UKTI will seek to double its client base to 50,000 over the next three years.

SMEs key to improving export performance. National Export Challenge to get up to a further 100,000 SMEs to export. Initiatives include:

- Open to Export web resource, launched October 29th 2012, will provide SMEs with professional export advice allowing peer to peer advice and information sharing
- 'How to' export guide for intermediaries to share with clients

London 2012 Olympics & Paralympics widely regarded as the 'greatest' Games ever, and showcased Britain at its very best to the world.



Aim: To create a competitive, growing and dynamic UK automotive industry making a large and increasing contribution to employment and economic growth in the UK.

- Publication of the Automotive strategy in July 2013.
- Invest around £1 billion over 10 years to establish a new Advanced Propulsion Centre.
- Set up a new Automotive Investment Organisation (AIO) within UK Trade & Investment (UKTI) funded by up to £3 million over the next two years to support inwards investment.
- Recruit more than 7,600 additional apprentices and 1,700 additional graduates over the next five years.

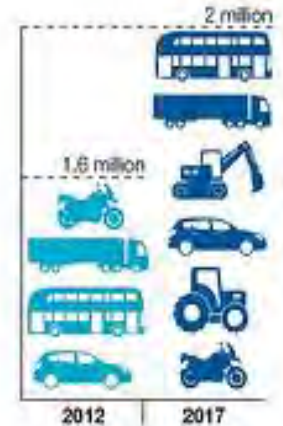


HM Government

Automotive



There are **129,000** people directly employed in the UK automotive sector.



The UK currently makes nearly 1.6 million vehicles each year, this is expected to rise to over 2 million by 2017.



A new vehicle rolls off a production line in UK every **20 seconds**.

The automotive sector is worth **£11.2 billion** to the UK economy in GVA.





The Automotive Investment Organisation will promote opportunities in the UK Automotive industry to potential investors

- Initial Auto Council survey of OEMs identified a £3bn reshoring opportunity.
- AIO are tasked to promote this to global tier 1's
- Survey results generated much interest from SME community
- Survey now underway to identify opportunity for SMEs to increase UK supply to Tier 1's
- Also surveying SMEs to understand extent of growth appetite and barriers to growth.
- If you have not responded to the 'Tier n' survey – it is still open: (please see Phil Davies afterwards).



RESHORE UK – Key Messages

- UK Trade & Investment (UKTI) has joined forces with the Manufacturing Advisory Service (MAS) to launch Reshore UK
 - A new one-stop-shop service
 - Helping companies bring production back to the UK
 - Matching and location service
 - Accessing advice and support
 - Providing a named individual to help each company
 - Supporting SMEs to be globally competitive
 - Developing UK supply chain capacity
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- Attracting foreign companies to invest in the UK
 - Identifying opportunities to bring production back to UK



Next Steps

- Continuing to engage with whole range of sectors through our work on Industrial Strategy to develop appropriate implementation plans.
- Establish Industrial Councils to oversee delivery of the strategies.
- Local Enterprise Partnerships and Enterprise Zones grasping local opportunities, with advanced manufacturing providing opportunities for local companies.
- Colleagues are also examining what more we need to do to support manufacturing supply chains (RESHORE UK, AIO, AMSCI, MAS SC, etc).
- Continuing to focus on and drive the Skills Agenda.
- Foresight Study on the Future of UK Manufacturing





Next Steps – cont'd

Opportunities:

- AMSCI 2014, RGF 6
- AIO opportunities, Reshore UK

Business Support:

- LEP Strategic Plans
- Enterprise Zones
- 15 Universities (HEIs), 260,000 students (25,000 from overseas)
- Over 20 major science assets (e.g. NNL, Daresbury, Dalton Institute, GERI, DigitME, etc)
- £2bn per year of private sector R&D

- MAS
- Growth Accelerator
- Growth Vouchers
- Growth Hubs
- etc

