



LEP MANUFACTURING BOARD

16th April 2018

Autocraft Drivetrain Solutions Ltd, Syston
Lane, Belton, Grantham, Lincs, NG32 2LY

Paper 0 - Agenda

Time	Item and brief description	Lead	Access/Circulation
10.00	Minutes Forward Plan	Ruth Carver	Paper 1 attached Paper 2 attached
10.05	Manufacturing Sector Plan Refresh - Sign off	Kevin Ross/Samantha Harrison	Document attached
10.10	Debate: Access to a skilled workforce, policy and provision and Skills Support to the workforce update	Clare Hughes, LCC/LEP/Mick Lochran, North Lindsey College	Paper 3 attached
11.30	Operational Activities update (events)	Samantha Harrison	Document attached
11.35	Manufacturing Barometer update (survey which maps confidence and trends)	Dean Barnes	Document attached
11.40	Internationalisation and Economy update	Kevin Ross	Verbal Update
11.45	Roundtable updates	All	Verbal
11.55	Any Other Business	All	
12.10	Lunch and Factory Tour	All	

Attendees: Steve Middlebrough, Mike Hague-Morgan, Ray Newell, Paul Taylor, Dean Barnes, Garry Wilkinson, Kevin Ross, Helen Doughty, Kay Pryszlak, Richard Allarton, Neil Main, Edward Tong, Darren Joint, David Earnshaw, Megan Ronayne

Apologies:

Officers: Ruth Carver, Samantha Harrison, Clare Hughes

Directions

Depending which way people are driving from, we are located on the A607 out of Grantham towards Sleaford, Lincoln. We are opposite Chandlers Farm Equipment.

Greater Lincolnshire LEP Manufacturing Board Meeting

6th December 2017 - Notes and actions

Item and brief description	Commentary	Action
1 – Welcome, Apologies, Declarations of Interest Minutes and actions from the last meeting	<p>Present: Angela Borman, Darren Joint, Dean Barnes, Kay Pryszlak, Richard Allarton, Sam Fells, Ray Newell, Neil Main, Edward Tong, Mike Hague- Morgan</p> <p>Officers : Samantha Harrison, Ruth Carver & Kevin Ross</p> <p>Apologies from: Steve Middlesbrough (Chair), David Earnshaw, Dr Paul Taylor and Helen Doughty</p> <p>No declarations of Interest were given.</p> <p>Actions</p> <ul style="list-style-type: none"> ➤ Feedback on Terms of Reference None received, although further discussion was sought to clarify the board's role. See AOB. ➤ Nominations/volunteer requested to stand as Vice Chair Two nominations – Ray Newell and Darren Joint – job role to be circulated. <p><i>Facilitate a meeting between the Chair and the candidates</i></p> <ul style="list-style-type: none"> ➤ Place Marketing website Toolkit to be circulated – www.marketinglincolnshire.com ➤ One "wish item" for your area Three companies have submitted 'wish lists' – see AOB ➤ Food manufacturing board member – suggestions Contacts have been made with the Agri food businesses and suggestions received. Secretariat to consider suggestions and <i>Invite to next meeting</i> ➤ Where should future meetings be held? Autocraft Drivetrain Solutions offered their meeting facilities which would hold max 20 people. <i>Suitable arrangement to be made with Autocraft</i> 	<p>Sue Groves</p> <p>Completed</p> <p>Kevin R/Martin Collison</p> <p>Sue Groves</p>

2 – Appointment of Vice Chair	As above, Darren J offered to ensure today’s meeting kept to timings and to help with discussion summations where needed.	
3 – Support Programme Update	<p>Feedback from the Manufacturing Conference indicated it needed to be:-</p> <ul style="list-style-type: none"> • Annual – a half day event. • Contained a more structured networked facility/agenda • Ensure ‘value’ was being offered • Less speakers <p>Feedback from Manufacturing Growth Programme Masterclass event was, content good, but it was very poorly attended. We need to focus on how we can engage with the sector more effectively.</p> <p>Mike HM indicated the KTN/Innovate UK appear to have some good communication techniques and perhaps use them as a learning opportunity.</p> <p style="text-align: right;">Contact and investigate</p> <p>Feedback from NatWest manufacturing event indicated companies really wanted a “<i>dedicated manufacturing expert</i>” that would help them unlock resources as opposed to compile an action plan.</p> <p>The board reiterated that there needs to be support/ guidance on how to apply for funding. The KTN network do this very well. Future business support needs to incorporate this.</p>	Samantha H
4 – Manufacturing Strategy Refresh	<p>The draft manufacturing strategy for Greater Lincolnshire was discussed. It was discussed that the revised strategy should focus on three areas – Productivity, Skills and Supply Chain.</p> <p>Section on the role of the Manufacturing board</p> <p>Omissions</p> <ul style="list-style-type: none"> • lack of power in the county. It was not mentioned in the SWOT analysis. • Industrial strategy ‘tie in’ <p>A revised strategy to be prepared and circulated in the first quarter of 2018.</p> <p>Next meeting to focus on Skills,</p> <p>Discussion on the Manufacturing Plan focused on what was needed to ensure the sector continues to grow. The board needs to consider how they will measure if the plan is working? A series of KPI’s need to be developed.</p> <p style="text-align: right;">Any more view regards suggested content? What KPI’s would members like to be included?</p>	<p>Kevin R</p> <p style="text-align: right;">All All</p>

		<p>Kevin Ross is creating a sector map of GLLEP Manufacturing businesses. Ray Newell has a list of 400 businesses through his Supply Chain support.</p> <p><i>Kevin and Ray need to share information and create a master list.</i></p>	Kevin R/ Ray N
International Opportunities	Supply Chain	<p>Kevin R reported back on a recent LCC visit to Hunan Province, financially supported by the Foreign Office, and contextualised the current Chinese manufacturing plans and possible opportunity to take advantage/build on the county's civic links.</p> <p>Service Oriented Manufacturing centres in the developed world to support Chinese products may provide a good fit with Greater Lincs low volume, high precision manufacturing sector.</p> <p>Equally with civic and University links being encouraged there maybe supply/sales opportunities.</p> <p>A balance is needed ensuring we don't duplicate ME/DIT work</p> <p><i>Feedback needed – do we want to explore opportunities to exploit <u>our</u> civic links – what's the SME appetite?</i></p>	Feedback to Kevin
6 – Manufacturing Programme Update	Growth	<p>Dean B presented Manufacturing Growth Programmes Greater Lincs Impact report @ October 2017.</p> <ul style="list-style-type: none"> • 98 grants offered / 28 jobs created / 33 forecasted • Main barrier identified – Business overview and Strategy • Major support received - Marketing and knowledge • 45% of companies engaged were small • 38% of companies engaged had a turnover of between £1 and £5m • Majority of businesses engaged were engineering. <p>Presentation to be circulated with the action points.</p>	
8 – Industrial Strategy		Subject area carried over to next meeting – a summary paper on the industrial strategy was shared as well as a list of policies	Sue Groves to circulate
9 – Any Other Business		<p>Manufacturing board remit:</p> <p>There was discussion about the boards function and a majority view that the board wanted 2/3 clear priorities and actions. “What are we going to do?”.</p> <p>Perception is there are no natural geographic or capability clusters in the region – except Food/Agri tech. Any central government</p>	

	<p>support tends to look for clusters – quicker wins! Hence the need for a GLLEP Manufacturing board to ensure focus on local issues.</p> <p>It was re-iterated that the groups function was strategic NOT operational. That the role was to act as a conduit to industry, a board that recommends actions to be taken to the main LEP board. The main focus is to lead, champion and support as per T&C.</p> <p>Skills Gap: There is an industry challenge surrounding; talent, updating skills, retention and attraction. Samantha H mentioned the ESF skills projects that the LEP commissioned will, towards the end of the projects (July 2018), they produce a range of reports around solutions to some of the skills barriers businesses and individuals face.</p> <p>Management Skills Sector Reports (inc Manufacturing), exploring in more detail, at sector level, the known challenge and gap around supervisor, junior manager and management skills, and what training or schemes are available locally to provide a solution. Calderdale College are commissioning the reports, as part of the Skills Support to the Workforce Project.</p> <p>Sector Skills Gaps and Solutions Reports (inc Manufacturing) , overview of the challenges businesses faced when first engaging with the Skills Advisor project. Main focus will be to describe the solutions that the project put in place or found to help the business overcome the long term skills challenge. BGU are commissioning these reports, as part of the Specialist Skills Advisor project. <i>Once produced the reports will be tables at a future board meeting</i></p> <p>The apprentice landscape is complicated and needs to be discussed.</p> <p style="text-align: right;"><i>Invite Angela Borman to present at next meeting to help members understand.</i></p> <p>Manufacturing plan feedback received by Kevin R - NOT discussed the meeting due to time constraints – company names available on request.</p>	Angela B
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Date of Next Meeting: To be arranged
Future Agenda Items ; Skills Gap/ Talent Retention

Paper 2

GLLEP Manufacturing Board - Forward Plan

Focus - strategic direction and development work

Dates	Agenda	Deadlines
16/4/18 9.30-11.30 Autocraft Drivetrain Solutions, Syston Lane, Belton, Grantham, Lincs, NG32 2LY	<ul style="list-style-type: none"> • Minutes • Manufacturing Sector Plan refresh- sign off • Debate : Access to a skilled workforce, policy and provision - Clare Hughes ESB • Skills Support to the workforce Update - Mick Lochran, North Lindsey College • Operational Activities update - events • Manufacturing Barometer update (survey, which maps confidence & trends - Dean Barnes • Internationalisation & Economy Update - Kevin Ross • Roundtable updates • Board Meeting Forward Plan • AOB 	
3/7/18 IOM3 - TBC Dr Bernie Rickinson The Boilerhouse Springfield Business Park Caunt Road Grantham Lincs NG31 7FZ	<ul style="list-style-type: none"> • Minutes • Debate : Productivity increases - EEF research • Operational Activities update - events • Manufacturing Barometer update - Dean Barnes • Internationalisation & Economy Update - Kevin Ross • Local Industrial Strategy Update -Ruth Carver • Roundtable updates • Board Meeting Forward Plan • AOB 	
2/10/18 Venue TBC	<ul style="list-style-type: none"> • Minutes • Debate : Supply Chain Development • Operational Activities update - events • Manufacturing Barometer update - Dean Barnes • Internationalisation & Economy Update - Kevin Ross • Roundtable updates • Board Meeting Forward Plan • AOB • 	
Date TBC Venue Boston College ?	<ul style="list-style-type: none"> • Minutes • Debate : Skills Capital Programme Manufacturing Centre • Operational Activities update - events • Manufacturing Barometer update - Dean Barnes 	

	<ul style="list-style-type: none"> • Internationalisation & Economy Update - Kevin Ross • Roundtable updates • Board Meeting Forward Plan • AOB 	
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Greater Lincolnshire Manufacturing Sector Plan - Refresh DRAFT



Manufacturing Sector 2014 Plan Ambitions and Targets

Ambition

The GLLEP's vision is to: -

- **INCREASE** manufacturing employment, output and investment;
- **GROW** existing businesses
- **ATTRACT** inward investment and;
- **focus** on where the **IMPACTS** will be greatest

Target

The delivery of the plan will increase the economic output by 2030 by a third. The current GVA figure is £2.1bn (2014). During the timescale of the plan the GVA uplift will have increased by £680,000,000.

Employment as a direct result of the delivery plan will be increased by 3 % e.g. 1,230 new jobs will be created. This target allows for the existing 41,000 (2014) jobs to be retained and increased to 42,230.

Introduction

This document updates the Greater Lincolnshire Manufacturing Plan 2014 and considers the action and changes taken and the new challenges faced by manufacturing businesses in 2017 and beyond. The paper will help focus GLLEP actions moving forward.

Traditional focus of many manufacturers hasn't changed – *Cashflow management, Continuous improvement, skills training, product extension and development et al.* The methodology behind these activities and their priority, may change, but essentially the headlines themselves remain.

However, by 2020 (short term) there are five *impacts* for change – **Brexit, Industrial Strategy, Minority Government, National Living Wage and Apprentice levy (use of)** that will have an effect on the aforementioned headline activities.

So, this plan will consider in detail the main four, touch on some of the *activity and progress* since 2014, but still capture and comment on some of changes that are likely to have a medium and longer-term impact from 2017 going forward – coupled with a light touch context.

Medium and longer-term impacts will include:

- Industry 4.0
- Productivity - AI and robotic development impact on electrical power requirements.
- Midlands Engine/Northern Powerhouse
- Connectivity and big data
- Additive manufacture
- Talent attraction/retention

1.Activity to date

There were 4 key priorities for actions from the Manufacturing Plan 2014, outlined below are some of the highlights/actions to date.

1. Business growth - through business development and support

- There are 23 business support products for the manufacturing industry coupled with 12 forms of direct financial support
- A bi annual Manufacturing Conference has been established
- Tailored half day workshops have taken place and are planned to take place covering Lean, Quality, Strategy etc.
- Events regards IP, IR4.0, International Trade and Manufacturing talent are planned in during 2018
- The Business Lincolnshire Growth Hub (the business support arm of the LEP) has been established and embedded
- International trade opportunities have been developed. A MOU has been signed with Hunan Province (China) opening possible new trade opportunities and a civic visit took place in October 2017.
- SME's have been encourage to take advantage of a dedicated Supply Chains programme. For example, Triton Knoll Offshore Wind Farm are specifically encouraging local engineering to take part in it supply chain operations. ensuring each have visibility of opportunities associated with the construction, operation and maintenance of the wind farm through, supplier events, business conferences and other online activities.

2. Skills Development

The Greater Lincolnshire Employment and Skills Board leads on the skills agenda, providing expertise and advice to the LEP.

The Board aims to:

- a. Ensure that employers can access the right skills and training to grow their businesses.
- b. Increase the level of skills of the population of Greater Lincolnshire.
- c. Increase skilled employment opportunities in Greater Lincolnshire.

For SME manufacturers, there are currently two main support schemes funded by the ESFA.

- **Skills for the workplace** where they can develop their staff at no cost. SME's can receive flexible, bespoke training plans designed to boost business growth and access a range of fully funded training courses and qualifications.
- **Specialist Skills Advisor Programme** consists of a team of Specialist Advisors who can support businesses to identify the training and skills needs that they have or need for future growth.

A manufacturing sector skills /provider event is planned for 2018.

3. Supporting R&D and Innovation

The Innovation Council aims to bring together innovators, SMEs, corporates and academics, and by hosting exciting events and workshops, they aim to nurture an innovative mindset in Greater Lincolnshire, encourage inward investment in innovation and focus on the benefits of an innovative approach to SMEs and start-ups.

There is a dedicated ERDF funded support for this area and the following schemes are available;

- **Proof of concept grants, match funded at 50%, are from £1k-10k and used for research and development**
- **Innovation vouchers provide up to £5k worth of an academic's time and facilities**
- **Specialist Innovation advisors can deliver up to 12 hours of business support**
- **Part funded Graduate Internships provide an injection of graduate level skills from 3 – 6 months**

4. Infrastructure and location

A variety of road and rail improvements have/are taking place; Lincoln Transport hub, Lincoln Eastern bypass, Boston quadrant and the Grantham Southern relief road.

The GLLEP Rail Study has been completed with committed schemes;

- **Lincoln – London, two hourly service from 2019**
- **Replacement of Pacer trains and major refurbishment of other rolling stock operated by Northern by 2020**
- **An underpass at Werrington Junction in autumn 2020**

The £50m Broadband Delivery UK (BDUK) superfast broadband programme for Lincolnshire has been rolled out and is one of the largest projects nationally

In some parts the GLLEP geography, broadband functionality continues to impede the development and growth of digital businesses. Businesses in this sector require ultrafast capabilities and this should be a consideration when planning broadband supply.

With regard to infrastructure, there are a couple of funding applications in process that aim to support fibre to the premises broadband provision which would support speeds in excess of 'superfast broadband' (which is defined as 30Mbps). There is an Expression of Interest (EoI) with BDUK for a slice of the £200M fund to enable the provision of fully funded fibre networks. If successful, the intention is to divide the funding between the 7 Districts and N & NE Lincs with a view to funding a fibre build in each area at a site of their choice. In addition, there is an ERDF bid for SME FTTP connectivity currently in progress.

Midlands Connect has been established, in collaboration with central government, bringing together local authorities and local enterprise partnerships from across the Midlands.

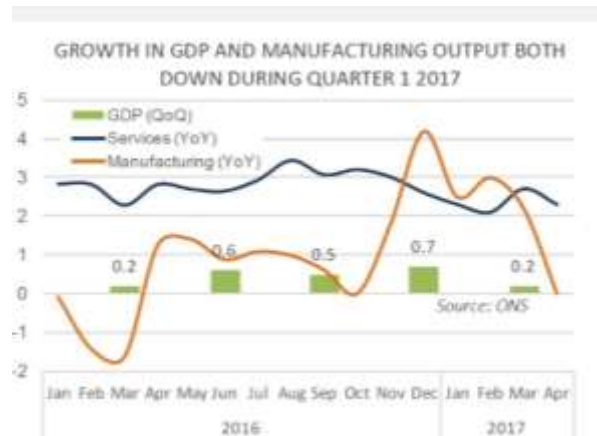
Together, the Midlands Connect Partnership and the Department for Transport have developed a Transport Strategy that identifies the major infrastructure projects needed to improve the connectivity of the region's key locations so help drive economic growth and power the Midlands Engine.

Boole Technology Centre has opened and provides flexible, premium office and laboratory space. It sits at the centre of Lincoln Science and Innovation Park's community of innovators, entrepreneurs and researchers and has been built to complement the high-end research laboratories in the neighbouring Joseph Banks Laboratories.

Current Economic Context 2017

The Lincolnshire Economic Briefing Q2 2017 reports “*manufacturing continues to slow*”. The consequential currency gains of previous months and export increases have been exacerbated and coupled with the longer-term view business expectations are down regards profitability, turnover and recruitment.

The Supply Chain Funding Index also has reported a notably weaker situation in Qtr 4 2016 and Qtr 1 2017. The biggest decline is within the industrial and engineering sector. The entire index is consistently lower when there is a break in the supply chain - 40% of supply chain breaks where attributed to the Industrial and Engineering sectors – as expected small businesses are most at risk and describe the break as significant or quite disruptive.



Unforeseen Impacts

1) BREXIT (S)* (SC)** (P)***

At present, Greater Lincolnshire (GL) businesses enjoy trade with the EU without tariffs or quotas. Following Brexit, it is possible that tariffs will be imposed on UK goods and services, in the event of new trade deals being arranged; however, some in the manufacturing sector have argued that Brexit will provide greater flexibility for GL businesses to position themselves with lower-cost suppliers in countries like China. Although China, itself, no longer sees itself as a low-cost supplier.

The referendum result has led to a rapid deterioration in the value of sterling (£1 = 1.08 Euros). This makes exports cheaper, and it may make GL manufacturers more attractive to overseas businesses, who find that their money affords them greater purchasing power. Equally, GL businesses may look to source raw materials internally, Nissan in Sunderland has already announced such a move. Also, given that the weakened pound has made importing foreign products significantly more expensive; this could provide a much-needed boost to the GL's internal market. Possible restrictions of the free movement of people within the EU could create issues with the sourcing of labour in factories and other parts of the manufacturing supply chain. If EU migrants are compelled to leave the UK, the manufacturing industry would be one of the biggest losers. *'It is estimated that migrant labourers from the EU constitute 30% of all workers in the food production sector, and 12% and 11% in the leather and textile industries respectively'* - Independent July 2016.

*S – Skills ** SC - Supply Chain *** P - Productivity

Similarly, changes to the labour market could drive up wages, where UK workers expect higher pay than EU migrants who might be willing to work for less. Outsourcing of labour could become more prevalent, as companies try to keep down their regular cost base.

For those manufacturing businesses which are looking to expand, it is possible that, in post-Brexit Britain, they may find it harder to obtain finance from their banks. Whilst the Bank of England has introduced measures to encourage lending by financial institutions, this may not translate into reality, as banks potentially become more cautious and ramp up their lending criteria.

Business owners may wish to consider the physical locations of the manufacturing business. Businesses not physically located within the EU may lose access to rights that are dependent upon them being established within an EU country.

The manufacturing sector is highly regulated, with much of the legal framework being crafted by the EU. It would seem unlikely that the spirit of this regulation will be swept away, but there may eventually be a different set of requirements as the UK works through the legal ramifications of exiting the EU.

It is worth considering whether any GL businesses have any long-term contracts which might be affected by withdrawal from the EU and establish what, if any, steps can be taken to rebalance rights and obligations under such contracts. Possible solutions may lie in altering contractual wording to reduce risks (e.g. applicability of force majeure clauses; allocation of tax liability), and your choice of law clauses and dispute resolution mechanisms may need to be reviewed

For any GL businesses that currently receive subsidies from the UK government, Brexit may be good news as UK funding will no longer be restricted by State Aid rules, and the UK government will be able to provide subsidies to UK companies without having to notify the European Commission. Conversely if you receive EU funding this may be withdrawn for UK companies post-Brexit.

Foreign currency risk is clearly a significant issue at present. Those businesses which did not mitigate this risk by negotiating forward currency contracts before the referendum result could be exposed to large losses, if they have overseas suppliers to pay in foreign currencies.

Forward currency contracts are a very useful way to lock in exchange rates in advance, so that business-owners have the peace of mind that they will not be exposed to volatility in currency movements. Of course, this can also mean that positive foreign exchange movements are not benefited from, but in times of uncertainty, manufacturers may prefer the stability which forward currency contracts can bring.

As an alternative, if manufacturers are able to maintain separate foreign currency bank accounts, and pay their suppliers in the native currency, rather than converting from sterling to

the supplier currency, this is a natural means of mitigating risk. However, not all businesses are able to do this, if, for example, they do not receive any substantial income in foreign currency.

2) Internationalisation of Suppliers (SC)

It is recognised that supply chains in the manufacturing sector have been eroding from the point they were at 30 years ago. Even in the UK's most competitive manufacturing sectors, domestic supply chains have weakened in comparison to countries such as France and Germany which maintain a strong domestic supply. As a comparison, the service sector still has domestic supply chain levels of over 90%.

3) Increasing International Competition (SC)

The expansion of foreign markets, particularly in Asia, have resulted in increased competition for domestic manufacturers.

4) Varying Exchange Rates (SC)

Variance in exchange rates can pose significant risk to businesses, particularly those who have numerous transactions outside of the UK.

5) Supplying to politically unstable countries (SC)

Politically unstable countries can have sudden and dramatic policy changes which may result in money being lost by suppliers.

Medium and longer-term impacts

1) An Ageing Workforce / Talent Retention (S)

As the population grows older, an increasing share of the manufacturing sector's workforce will be over the age of 60. Older workers have often been considered less productive than younger ones, raising the issue of whether an aging workforce will also be a less productive one. The impact of the aging workforce is beginning to be recognized as a critical business risk.

The impact of retirement means that attracting younger people into the sector is crucial for its future viability.

Many organizations are finding it increasingly difficult to attract critical talent and an ageing workforce may not be helping as they wish to remain, allowing business not to expand as quickly as they'd like. This is a clear area of disconnect between the job security employees and employers.

2) Apprenticeship Levy (S)

For all employers operating in the UK, the levy has been set at 0.5% of all company's pay bill (payable through PAYE alongside income tax and NI) – but it only applies to those whose wage bill is greater than £3 million pa.

3) Gender Pay Reporting (S)

All organisations with 250+ employees will need to report the overall gender pay gap between all men and women from April 2017. For manufacturers, the gender pay gap is undoubtedly going to be higher than average, with employers taking action to attract and retain more women into manufacturing'. SMEs need to be wary as this employee number will ultimately dwindle, so need to be prepared.

4) Pay and the National Living Wage (P)

The National Living Wage for those aged 25 is a rate of £7.50. It is the government's ambition to increase this rate to 60% of median earnings by 2020, which equates to around £9 per hour. This is likely to have a greater effect on manufacturing SME's and the industries associated with low pay.

5) Migration (P) (S)

Some Greater Lincolnshire manufacturers operate globally and the have ambitions to supply to new markets and into new supply chains can mean expanding activities all over the world. Recruiting employees from inside and outside of Europe is often required to meet the skills needs to fulfil these ambitions. Many of the current, and indeed proposed, barriers can significantly hamper businesses ability to find the skilled workers their businesses need.

6) 4 IR and Industry 4.0 (P)

The 'Fourth Industrial Revolution' and 'Industry 4'. refer to the technological revolution that has been predicted to *"fundamentally alter the way we live, work and relate to one another"*.

The benefits of 4IR technology adoption for manufacturing will be widespread. In a report by the Engineering Employers Federation, they anticipate that Industry 4.0 will lead to smarter supply chains, smarter production and smarter products.

7) Midlands Engine (SC)

The Midlands Engine will invest in skills, transport and innovation. The ME has developed other Midlands initiatives; Midlands Connect (Transport), Midlands Enterprise (7 x Universities) and Midlands Skills challenge.

The launch of the Midlands Engine Strategy is a demonstration of the government's commitment to making the Midlands a powerful engine for economic growth. Stretching from Shropshire to Lincolnshire, with the M1, M6, and most of our major railway lines running through it, the Midlands sits at the very heart of the UK economy.

During 7-11 November 2017, a Midlands Engine Trade Mission visited the China International Industry Fair (CIIF) in Shanghai, a hugely important event for the manufacturing sector. With £3.1bn exports from the Midlands to China this is a great opportunity to tap into a huge market for regional businesses.

8) Additive Manufacture (P)

3D printing, also known as additive manufacturing (AM), refers to processes used to create a three-dimensional object.

The effect of 3D printing is a double-edged sword. One example of the positive effect is lowered manufacturing cost through recycled and other local materials, but the loss of manufacturing jobs could also hit. The UK may benefit perhaps the most from 3D printing, because of our growing aged society and shift of age demographics that is a concern related to production and work force. Also, the health benefits of the medical use of 3D printing would cater well for an aging western society.

9) Northern Powerhouse (SC)

The Northern Powerhouse's objective is to achieve a sustained increase in productivity across the whole of the North working with northern towns, counties, cities, Local Enterprise Partnerships (LEPs), businesses, universities, charities and others to address the fundamental barriers to productivity that the North faces. This means improving connectivity both within and between towns, counties and city regions; addressing the disparity in skills between the North and some other parts of the country; ensuring the North is an excellent place to start and grow a business; and promoting trade and investment across the North. GL businesses need to be supported to access supply chain opportunities.

10) Infrastructure - Power

GL Manufacturers are concerned that their growth ambitions impeded by the lack of utility infrastructure. In 2017 GLLEP undertook a *'Future proofing the capacity of utilities in Greater Lincolnshire'*.

The review looked at the challenges that businesses have with electricity supply and connectivity, as the grid is presented as a passive system, which does not readily lend itself for easy connection from local decentralised production. This causes problem further up the line during non- peak time with over capacity. This then perpetuates the perceptions that the supply side is out of 'sync' with the demand side, in terms of expectations and contract requirements.

The increase in demand by expected major development growth seems to be met with the business concept which is that the developer is expected to pay for the expansion/capacity of infrastructure, without the surety this supply will be made available to them until a contract is signed.

One of the outcomes is to build visibility to stakeholders of the importance of utility infrastructure provision - Access to utilities like water, gas and electricity is one of the main issues facing businesses in Greater Lincolnshire, and in some cases development and investment opportunities have been lost because of the poor provision and cost of utilities in some areas. There is an urgent need to raise awareness of utility infrastructure in Greater Lincolnshire even further, encouraging more businesses to work with us and partners to contribute to Greater Lincolnshire's economic growth.

11) Industrial Strategy (P)

The government has published a green paper that wants to build an industrial strategy that addresses long-term challenges to the UK economy. Their aim is to improve living standards and economic growth by increasing productivity and driving growth across the whole country

The focus is on spreading best practice of most productive businesses, access to finance, increasing exports, management and leadership skills and making better connections between high-performing businesses and their supply chains, building skills and ensuring everyone has the opportunity of good work and high-paying jobs.

- Launch and roll-out Sector Deals partnerships between government and industry aiming to increase sector productivity. The first Sector Deals are in life sciences, construction, artificial intelligence and the automotive sector
- Drive over £20bn of investment in innovative and high potential businesses, including through establishing a new £2.5bn Investment Fund, incubated in the British Business Bank
- A network of British Business Bank regional managers will be rolled out by Autumn 2018 to ensure business across the UK know how to access sources of investment.
- Local Growth Hub programme will be built upon by enabling the Hubs to bring together public and private sector partners such as UK Research and Innovation, the British Business Bank, Tech Nation, investors and universities. They will continue work of peer-to-peer networks, and connecting businesses to support as well as considering how to support high potential businesses to scale up.
- Launch a review of the actions that could be most effective in improving the productivity and growth of small and medium-sized businesses, including how to address what has been called the 'long tail' of lower productivity firms
- Launch a new Supply Chain Competitiveness programme that will target areas where key businesses need to improve to support training and enhanced business processes in manufacturing.
- Piloting intensive export growth support for potential scale-ups and particularly ambitious medium-sized businesses. Working with LEP Growth Hubs.
- Recognition of strength of food and drink industry. A new Food and Drink Sector Council is being established to lead work to secure the UK's position as a global leader in sustainable, affordable, safe and high quality food and drink. An early task will be to build on emerging proposals for a food and drink sector deal in food and drink manufacturing including support to transform exports and capitalise on its unique innovation opportunities in sustainable agriculture and food manufacturing.
- A new Future Sectors team will lead four reviews a year into the highest potential fast-growing sectors yet to establish an identity.

Conclusion

There is a new economic environment since 2014, represents a collection of threats and opportunities that are dramatic, but there are three clear themes emerging;

- **Productivity**
- **Skills and labour**
- **Supply Chain**

1) Productivity

Growth is but one determinant, and it doesn't always make us more productive.

The CBI report 2016 *Lifting the Trophy* recognises “*productivity matters because it determines how much they (businesses) can pay their staff, how quickly they can grow and what they can invest in*”



Productivity led growth would represent a step change.

2) Skills and Labour

People drive productivity and employers are often looking for skills that go beyond qualifications and experience.

While education and experience may make people eligible to apply for a job, to be successful in the role people will need to exhibit a mix of skills: 'employability skills'. This means that the specialist, technical skills associated with different roles may be less important than the 'soft skills' that can be transferred between different jobs and different employment sectors.

For employers, getting the right people means identifying people with the right skills and qualities to fulfil the role and contribute to the organisation's success. Candidates may have the qualifications and 'hard skills' needed to be able to manage the job role but, without a well-honed set of 'soft skills', employers are less inclined to employ.

3) Supply Chain

Manufacturing businesses, especially, are only as strong as their supply chain.

Supply chains are all around us, yet are largely invisible. They tend to be something that we take for granted until something goes wrong. This means that we can make decisions that unknowingly have a huge impact, either positive or negative, on other people in the chain. By raising awareness of the supply chain, businesses will begin to look at the world differently, and potentially make more informed decisions.

Recommendations

One role of the LEP is to help SME's with tasks/insight that they themselves do not have the skills to undertake or because of 'daily' work load, the time to give.

GLLEP Business Support must provide an 'end to end provision' – concentrating on quality control, consistency and addressing gaps and market failure.

1 – Ensure financial/business support includes a 'maintain and sustain' criterion option

Growth to the majority of SME's translates as risk and currently there is too much risk for full advantage to be taken of the available support. The 'maintain and sustain' mindset is perceived as less risk and will help uptake and ultimately productivity via the back door.

Action: - Adjust the output criteria ensuring safeguarding plays a more significant role

2 – Introduce a labour to train 'matchmaker' service.

Training people is one aspect, finding the people to train will be the other.

With the likely reduction in available labour pool, skills will become even more scarce, so business support needs an adjutant.

The current national apprenticeship website is such a matchmaker service, little used because of its complexity but with proper hand holding it's becoming a key recruitment component in medium sized businesses - a local version would be well received.

Action: - Create a local all age offer

3 – Develop a larger supply chain service function concentrating on regional and national sales for small manufacturers < 50

The majority of small manufacturers (SM) buy parts locally and from distributors, realising the inflated price, but preferring the flexibility and convenience, so trying to 'break' this part of the supply chain is unrealistic.

However, most small manufacturers would be keen on more sales, particularly regional (East Midlands) and UK National – less risk, less time and less paperwork than exporting option. Exporting support should still be available but focused on the medium to large sized businesses.

Overall, SME manufacturers don't want so much advice..... but recognition and connection to growth opportunities.

Paper 3 - Skills & Training

1. Summary

- 1.1. This paper provides background information for the skills discussion at the Board meeting today. It includes details of local schemes that are currently running. The paper is complemented by a presentation from North Lindsey College, who operate in and around North Lincolnshire.

2. Introduction

- 2.1. The Department for Education (DfE) is responsible for children's services and education, including higher and further education policy, apprenticeships and wider skills in England.
- 2.2. The Education and Skills Funding Agency (ESFA) is the single agency accountable for funding education and skills for children, young people and adults.
- 2.3. The Higher Education Funding Council for England (HEFCE) distributes public money for teaching and research to universities and colleges.

3. How public money is spent on training

- 3.1. Spending of Central Government funding is subject to a range of rules and regulations, and this can make skills and training seem complicated for an employer.
 - In order to receive money to spend on training using public money, a College or training Provider must pass certain criteria and be registered on a list of approved providers.
 - Qualifications are developed by Awarding Bodies, usually working with representatives from a sector. All qualifications are approved by Government before public money can be spent on them.
 - In order to deliver an approved qualification, the College or provider must register and pay the Awarding Body.
- 3.2. Further to this, the Government spends public money on training by prioritising certain things. This means that some people are eligible for certain kinds of free training and others are not.

4. Funding for Training

4.1 Further Education

Funded by the ESFA: 16-18 year olds who attend a Further Education College, or a 6th Form College, may choose to study A Levels, BTECs or other qualifications. The College decides what subjects to offer, usually based on learner demand. Increasingly, they are asked to show what happens after to the learner after they leave College.

The Adult Education Budget

Funded by the ESFA: Funding is allocated to Colleges (and some training providers) and Local Authorities to support adults to achieve maths and English, and Level 2 (GCSE equivalent) qualifications if they didn't achieve them at school.

Apprenticeships

Managed and funded by the ESFA: Businesses with a wage bill of over £3m are 'charged' an Apprenticeship Levy, which they can use to pay for the training that Apprentices they employ will need.

All other business (approx. 98% of business) do not pay a levy. They must pay 10% of the costs of the Apprentice's training, and the Government funds the rest. There are some additional financial incentives for businesses with fewer than 50 employees.

There have already been 3 levels of Apprenticeships: intermediate, advanced and higher. More recently Apprenticeships at degree level have been introduced, so that people can progress further in their career via vocational education.

See the table at the end of the report for details about number of local residents involved in a manufacturing/Engineering Apprenticeship.

Advanced Learner Loan

Adults who wish to study beyond the age of 24 at Level 3 or above are usually required to pay for training themselves or take out a loan. Most Colleges are able to offer the loan but due to low demand, only certain subject may be offered.

European Social Fund Programmes

From time to time there will be a range of projects funded by Europe that also deliver training. Of those currently available, of particular note are the following which have been developed by the LEP:

Skills Support to the Workforce - a network of over 30 Colleges and providers offering fully funded training. Examples provided in a presentation at the Board meeting.

Specialist Skills Advisor Programme - specialists providing in-depth advice to employers who want to develop a long term plan for their workforce, are struggling to recruit, or who cannot find the training they need; and build relationships between local Colleges and local businesses.

Industry Education Programme -facilitating knowledge sharing between the training sector and local industry. This programme will support Colleges to send staff on industry site-visits; support industry workforce to learn how to deliver short lecture or 'masterclasses' to a group of students within a College or provider

The World of Work - a website for Greater Lincolnshire employers, dedicated to telling schools, teachers, parents and adults about local business and importantly the kind of occupations that they employ. All schools are receiving information about this website and they are using it to supplement their careers activity. www.theworldofwork.co.uk

Number of resident's starting an Apprenticeship in 2016/17 within Engineering and Manufacturing Technologies (Academic Year August to July 2017)

LAD	Total Number (Engineering & Manufacturing Tech)	(of which female)	(of which under 19)	Total for all sectors
Boston	90	10	40	540
East Lindsey	140	10	50	1190
Lincoln	120	10	50	1050
North East Lincolnshire	300	20	160	1380
North Lincolnshire	430	50	170	2010
North Kesteven	160	10	90	1090
South Holland	190	30	80	890
South Kesteven	270	10	60	1320
West Lindsey	130	0	50	840
Total Greater Lincolnshire	1,830	150	750	10,310
Total England	74,900	6,000	29,130	494,900

Manufacturing Sector Events Schedule 2018-19

Date	Event Type	Topic	Venue	Timings	Partners/Speaker(s)
25/04/18	Fair	Funding your Business	Gainsborough Golf Club	9.00-12.00	Various funding providers
17/05/18	Flagship Event	Going Global - a world of opportunity(Europe, North America, UAE)	Hemswell Court, Hemswell Cliff	9.15 - 3.00	DIT Leads and Lincolnshire Businesses
22/05/18	Fair	Funding your Business	The Pelham Suite, Grimsby	9.00-12.00	Various funding providers
05/06/18	Fair	Funding your Business	The Golf Hotel, Woodhall Spa	9.00-12.00	Various funding providers
14/06/18	Bitesize Lincs	Introduction to Researching Export Markets	Louth TBC		Gary Blackburn DIT
15/6/18	Conference	Cyber Crime Conference	Petwood Hotel, Woodhall Spa	9.00- 1.00	Lincolnshire Police, Business Lincolnshire
14/06/18	Awards	Made in Lincolnshire Manufacturing Awards	Double Tree, Hilton Lincoln	2.00 - 4.00	Business Lincolnshire, Streets, NatWest
26/6/18	Conference	National Manufacturing & Supply Chain Expo	Coventry		
04/07/18	Fair	Funding your Business	Springfields Events & Conference Centre, Spalding	9.00-12.00	Various exhibitors
05/07/18	Workshop	Manufacturing Sector: Workforce Development	Lincoln College		TBC
11/07/18	Bitesize Lincs	Top Tips for International Web Optimisation & Digital Marketing	Sleaford New Life Conference & Events Centre		Charlie Ruigrok, DIT

Date	Event Type	Topic	Venue	Timings	Partners/Speaker(s)
TBC/07/18	Flagship Event	Digital Conference 2018	Lincoln TBC		TBC
TBC/09/18	Bitesize Lincs	R&D Tax Credits	Grantham TBC		Lois Tack
TBC Sept /Oct 18	Workshop	Scaling Up your Business	TBC		TBC
Oct18	Event	Manufacturing Automation	The National Centre for Food Manufacturing, Holbeach		TBC
TBC/11/18	Bitesize Lincs	Introduction to Managing Employee Performance	TBC		Kate Goodman
TBC	Breakfast Event	Industry 4.0	Lincat, North Hykerham		
TBC	Bitesize Lincs	Manufacturing Sector: Workforce Development	Colleges – Boston, Gainsborough or Grantham TBC		
March 2019	Flagship Event	Greater Lincolnshire Manufacturing Conference 2018 – Productivity through People	NKDC Area		

SWMAS

MANUFACTURING

barometer



in partnership with



National Report
Winter 2017 (October, November and December 2017)
Surveyed in January 2018

Contents

Productivity and Culture: managing productivity improvement through strategy, leadership and delivery



- Introduction
- Business Aspirations
- Survey Demographics
- Measuring Trends
- Special Focus
- About the Manufacturing Barometer



Introduction



Simon Howes
Managing Director
Exelin Group Ltd
Delivering SWMAS

Welcome to the SWMAS Winter 2017 (Q3) Manufacturing Barometer report, mapping the trends, current views and confidence of UK manufacturing SME's.

This latest Manufacturing Barometer represents the collective voice of 324 senior decision makers in UK manufacturing SME's who have shared their views to reveal the latest insight into business performance and forecasts for the future.

Reflecting the outcome of last quarter's Barometer, which reported manufacturers' intention to improve productivity through focusing on existing people and processes, this quarter's Special Focus looks harder and deeper at how businesses are managing productivity improvement. 'Productivity and Culture' explored how they manage productivity at each level - strategic, leadership and delivery of change.

The Core Trends

The headline for this quarter is that 72% of UK SME Manufacturers anticipate an increase in sales in the next six months– the highest figure recorded since Quarter 2 2015 and a reflection of the confidence of business leaders. Only 6% anticipate a reduction in sales – the lowest figure recorded since 5% in Q2 2014. Coupled with 59% of manufacturers looking forward to an increase in profits over the next six months, this is good news.

Comparatively, however, only 45% of manufacturers experienced a growth in profits in the last half of 2017. The gap between predicted sales increases and actual increase in profits seen by SME manufacturers over the last six months continues to raise questions about productivity.

Encouragingly, 56% of manufacturers aim to deliver against their growth targets by investing in machinery and premises. This is a rise of 13% on the last quarter's Barometer report.

The Quarter 2 2017 Manufacturing Barometer also showed that manufacturers were prioritising development of existing people (and processes). This quarter, plans to recruit new staff are recorded by 48% of respondents. Although a figure 8% higher than last quarter, it is only 2% higher than the same time last year and may not be quite in step with anticipated growth. This finding again raises questions around the ability of manufacturers to find suitably qualified staff to feed business growth – something reflected in Barometer feedback last quarter and the conversations our Productivity Specialists are having with their manufacturing clients. Whilst some manufacturers are achieving growth through investment in new machinery and premises, the importance of improving productivity through existing staff and facilities remains a focus.

Continued Overleaf...

Special Focus: Productivity & Culture

This quarter the Manufacturing Barometer asked manufacturers to look at the extent to which productivity good practice is integrated into the culture of UK SME manufacturing businesses.

At a strategic level, respondents divulged that UK manufacturing businesses are positioning themselves to achieve their productivity goals. Around 70% are confident that they have mostly or completely defined productivity improvement as a key strategic objective, and that productivity improvement is championed by the board and senior managers. There is a slight softening of that assertion (62%) when identifying budgets and resources to enable productivity improvement, but overall the position of UK manufacturers is that a focus and drive for productivity improvement is integrated at a Strategy and Vision level.

Exploring productivity improvement at the Leadership and Management level, the weight of responses indicate that most manufacturers would like to achieve better results. Furthermore, variations in how department leaders measure and communicate current and targeted performance indicate that effective measurement and communication could be a factor in businesses' ability to deliver and achieve productivity improvement goals.

In the final special focus category we looked at manufacturers' ability to actually deliver and sustain productivity improvement. This revealed that whilst manufacturers recognise the need, they do not always perform well in this area, or achieve insufficient results. Approximately 47% of manufacturers said they would like to both enhance the engagement of their existing people in identifying and improving productivity, and enhance their ability to sustain and share learning about the changes made.

Conclusions

Overall, manufacturers are confident that they will grow and make a profit, but, as recent history shows, the strides made might be smaller than the ambitions set, particularly if underlying barriers to improving productivity are not addressed. Looking at manufacturers capacity to grow, the views captured this quarter show that this is unlikely to come from new staff or investment alone (less than 50% intending to recruit and just over 50% intending to purchase new machinery and premises), so the focus on productivity and getting more out of existing people and processes remains.

With the Special Focus this quarter showing that difficulty in engaging staff in increasing productivity proves one of the biggest hurdles to delivering and sustaining the improvements required by businesses, the findings of the Winter 2017 (Q3) Manufacturing Barometer suggest that workplace culture at this change level has to evolve. The call to action is for manufacturers to look harder at how they involve their leaders and their people to unlock their own hidden potential and achieve their productivity ambitions.

Read on for more about the Manufacturing Barometer results...



Business Aspirations

Growth by 50-100% for the next 3-5 years. Increase our profit margins by improving efficiency. Relocate to a new purpose built workshop/ offices to help facilitate growth and increased efficiency. Start to tap into international markets as well as broaden domestic markets - *Tom Raffield Ltd, Cornwall*

We are currently finalising capex project for 2018. This is a massive investment for a business of our size and will be the catalyst for even greater growth and profitability. Long term goal is to double our turnover in 3-5 years. – Anonymous, Home Counties

To grow and develop the business but it is quite challenging at the moment due to skills shortage, which is an industry wide issue – *MD, Technoset, Warwickshire*

Consolidation of production facilities and then continue growth – Peter Bruch, MD, AE Aerospace, West Midlands

Grow our market outside Europe, but hold on to it in Europe with Brexit implications causing ongoing problems – *Seed Developments, Somerset*

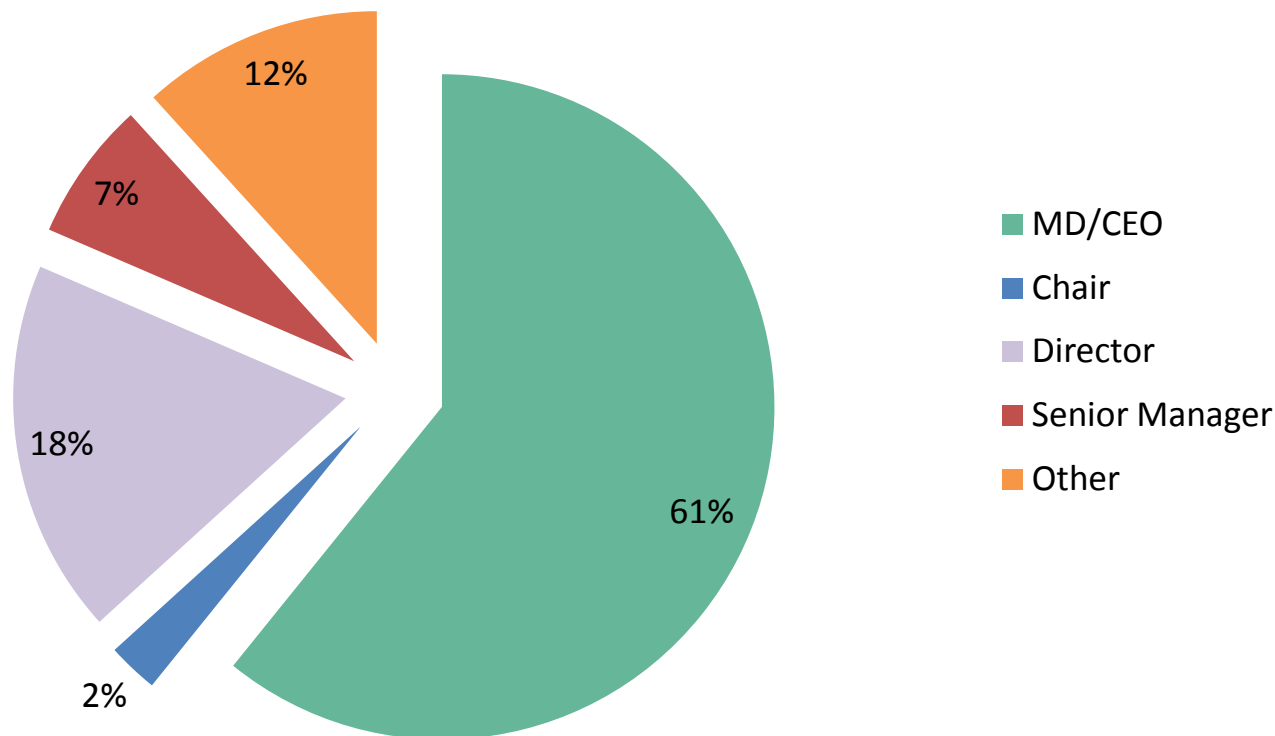
Increase turnover by 50% and implement a second shift short / medium term. Longer term implement a second line into expanded facility – Shaws Huddersfield Ltd, West Yorkshire

Invest in new processes and automation in order to create a more cost efficient production facility. Develop our export market. Reduce the lead time for designing and then launching new products. Create/find space for growth – *Anonymous, South West England*

Improvement of net profit by a mixture of growth and productivity – Chair, Racks Industries Limited, West Yorkshire

Expect 2018 to be a year of growth – *Protechnic, Somerset*

Survey Demographics

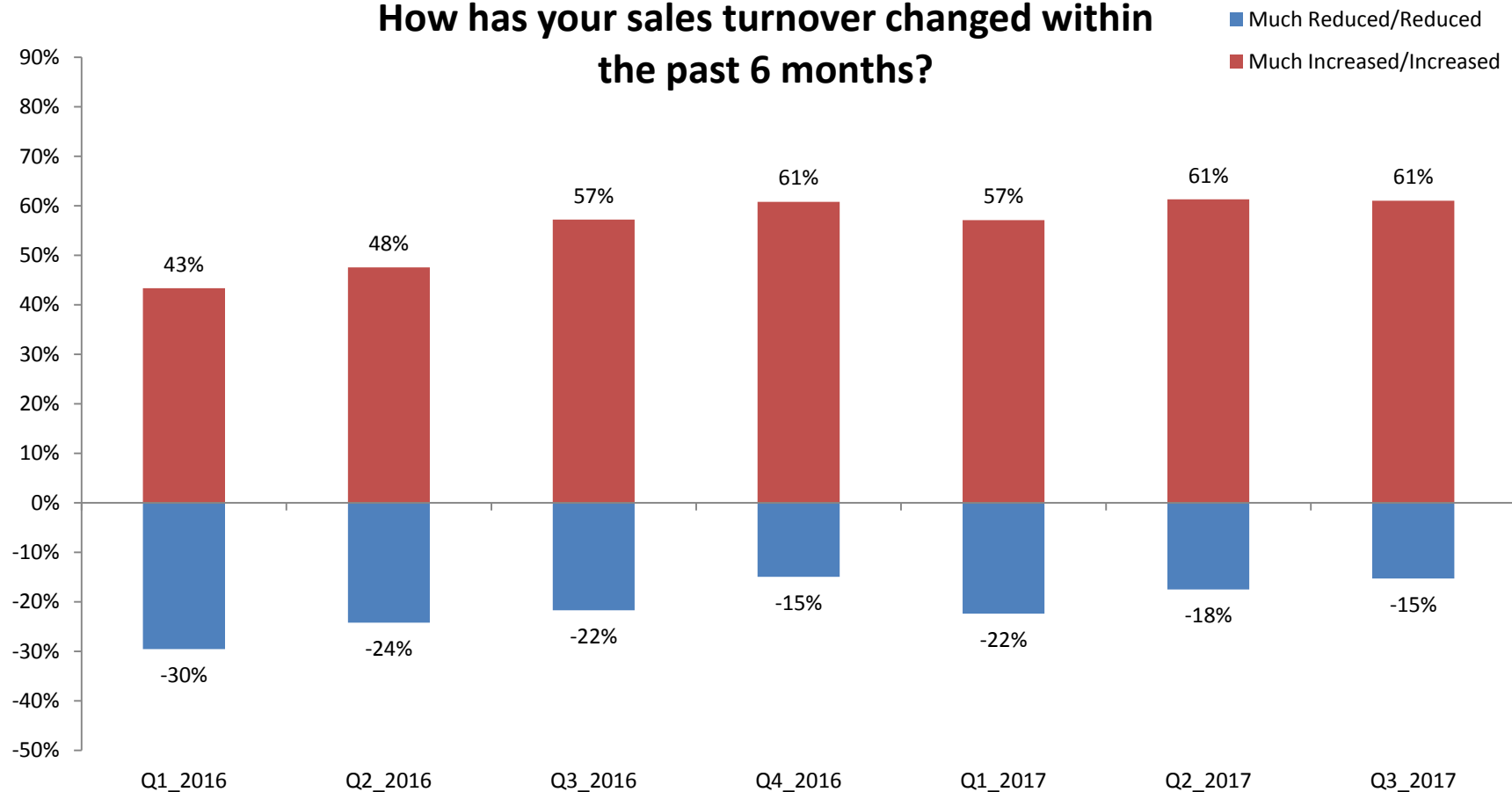


**Over 60% of respondents are Managing Directors or Chief Executive Officers
Individuals with the highest level of strategic responsibility within their business**

324 Respondents

National Past Sales

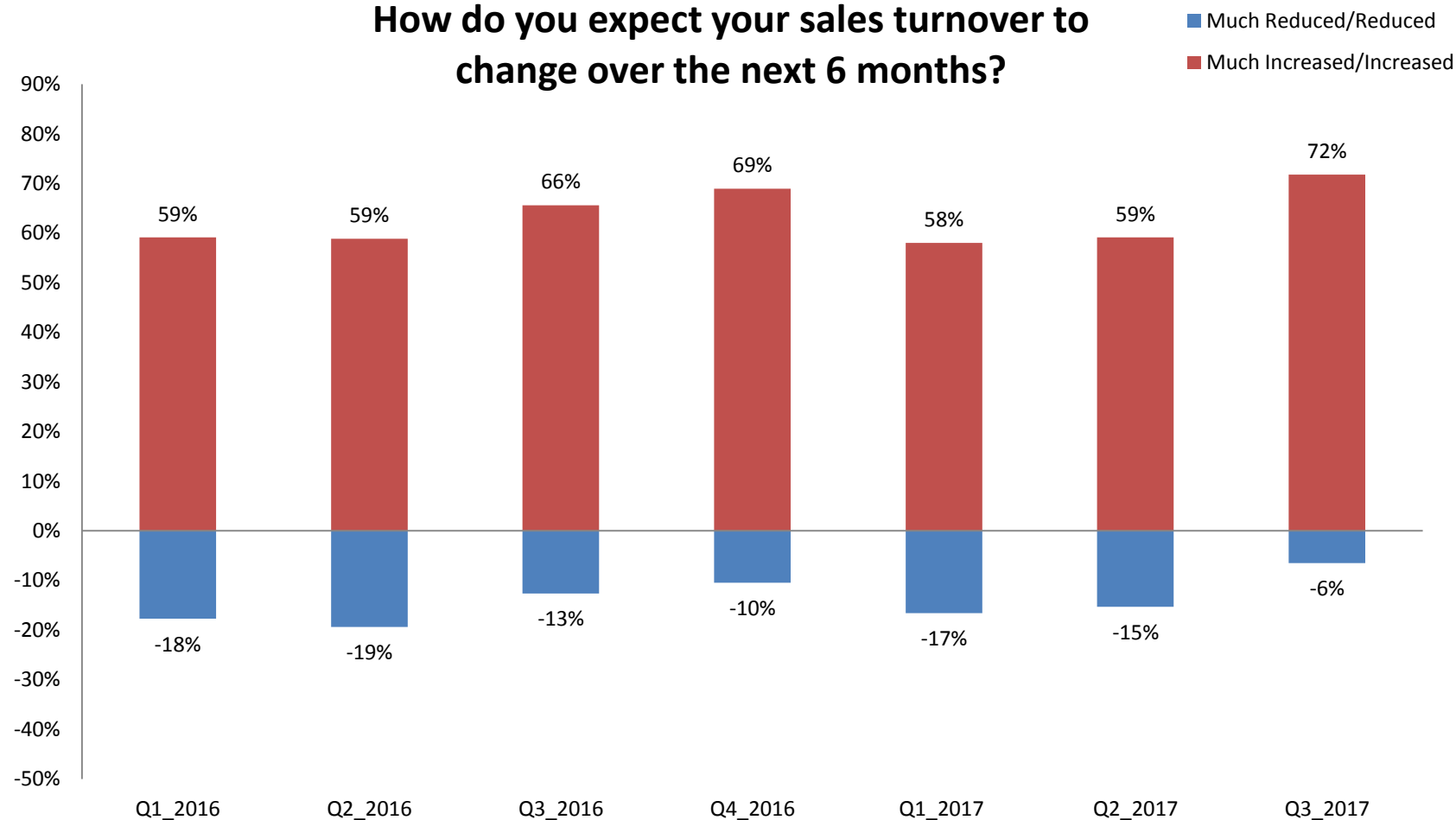
How has your sales turnover changed within the past 6 months?



308 Respondents

National Future Sales

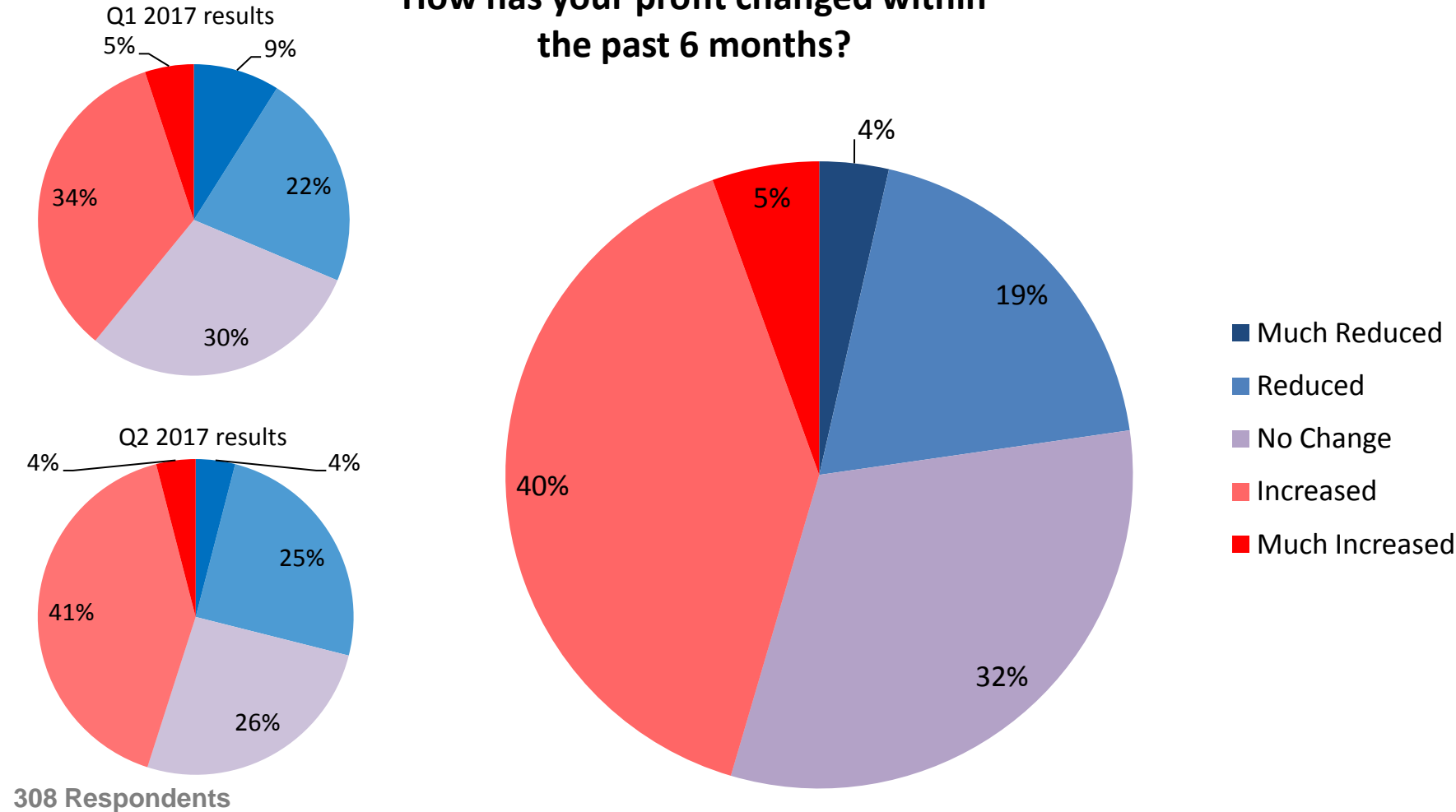
How do you expect your sales turnover to change over the next 6 months?



308 Respondents

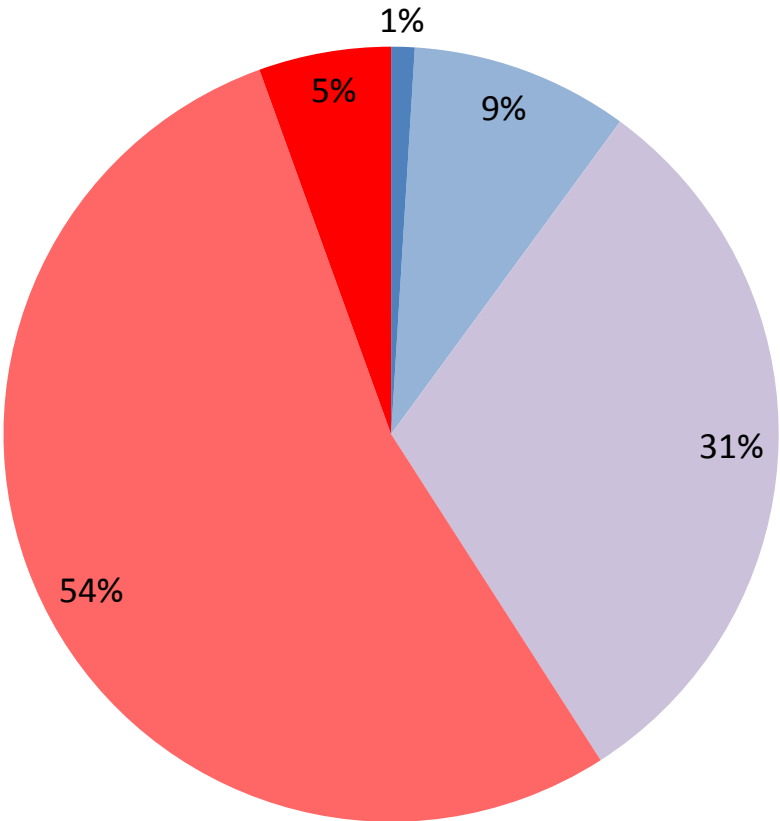
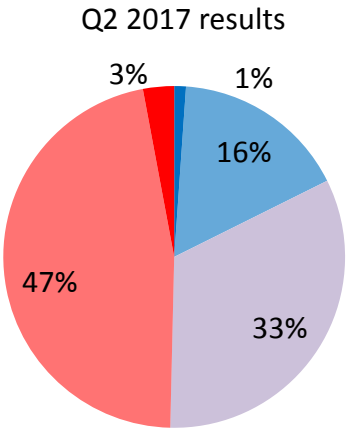
National Past Profits

How has your profit changed within the past 6 months?



National Future Profits

How do you expect your profit to change over the next 6 months?

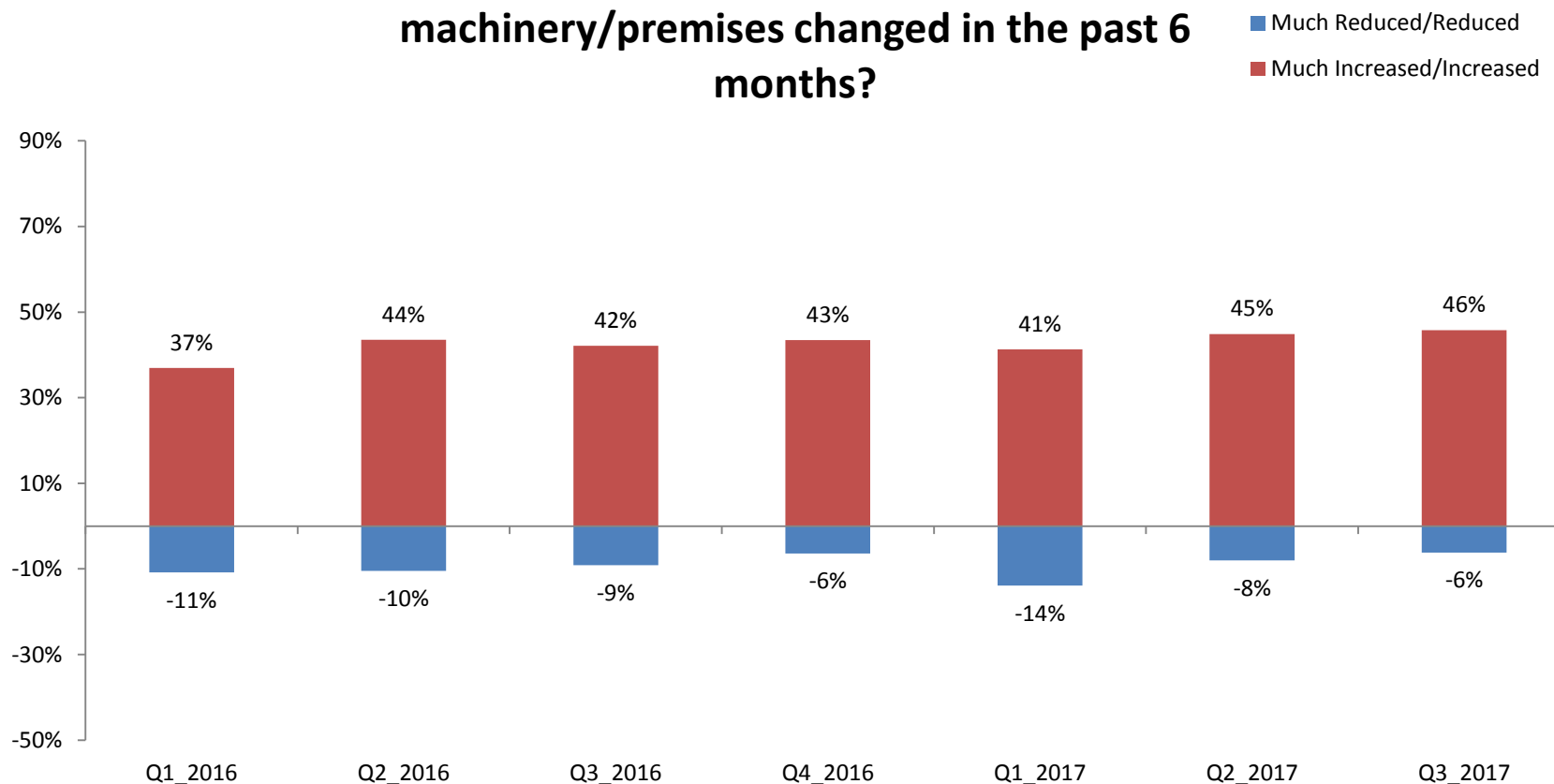


- Much Reduced
- Reduced
- No Change
- Increased
- Much Increased

308 Respondents

National Past Capital Investment

How has your investment in new machinery/premises changed in the past 6 months?

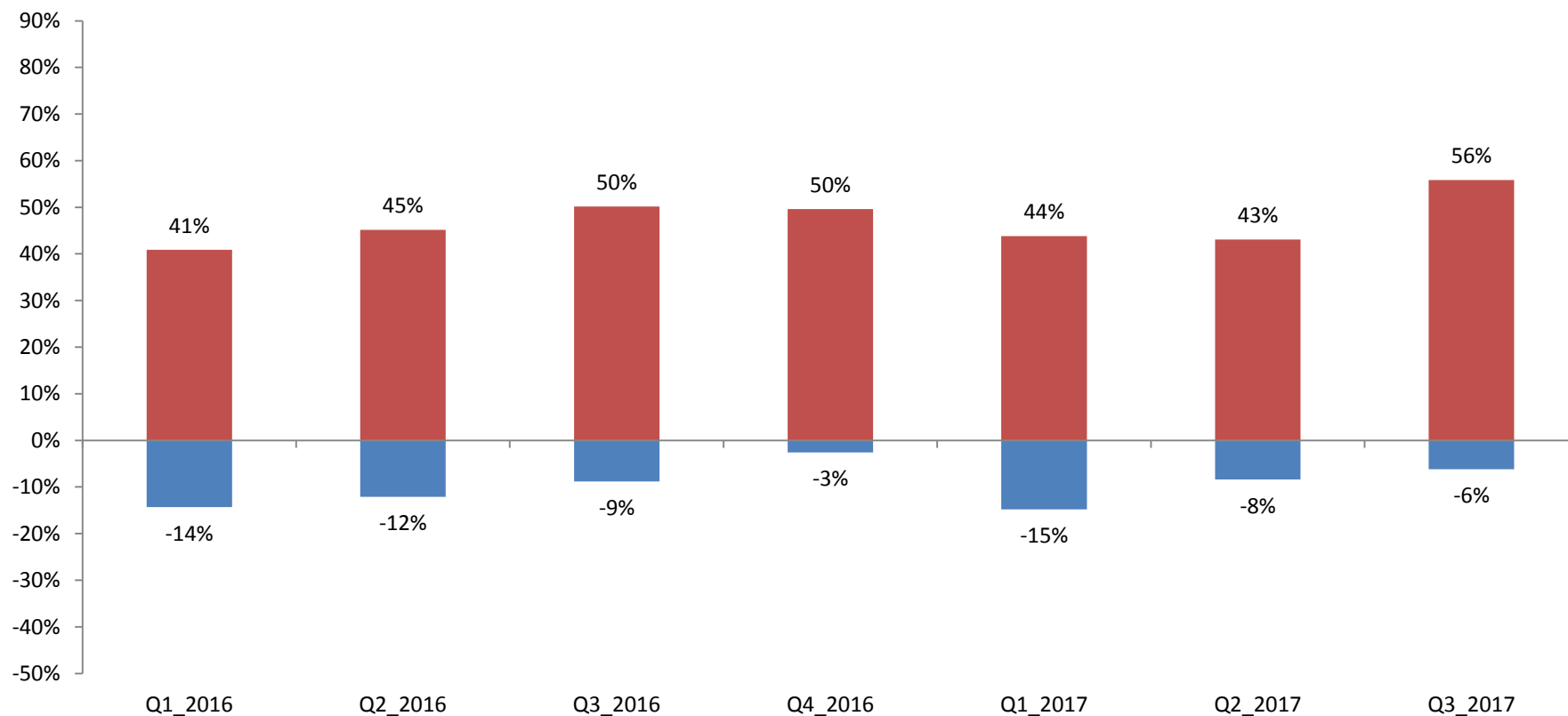


308 Respondents

National Future Capital Investment

How do you expect your investment in new machinery/premises to change in the next 6 months?

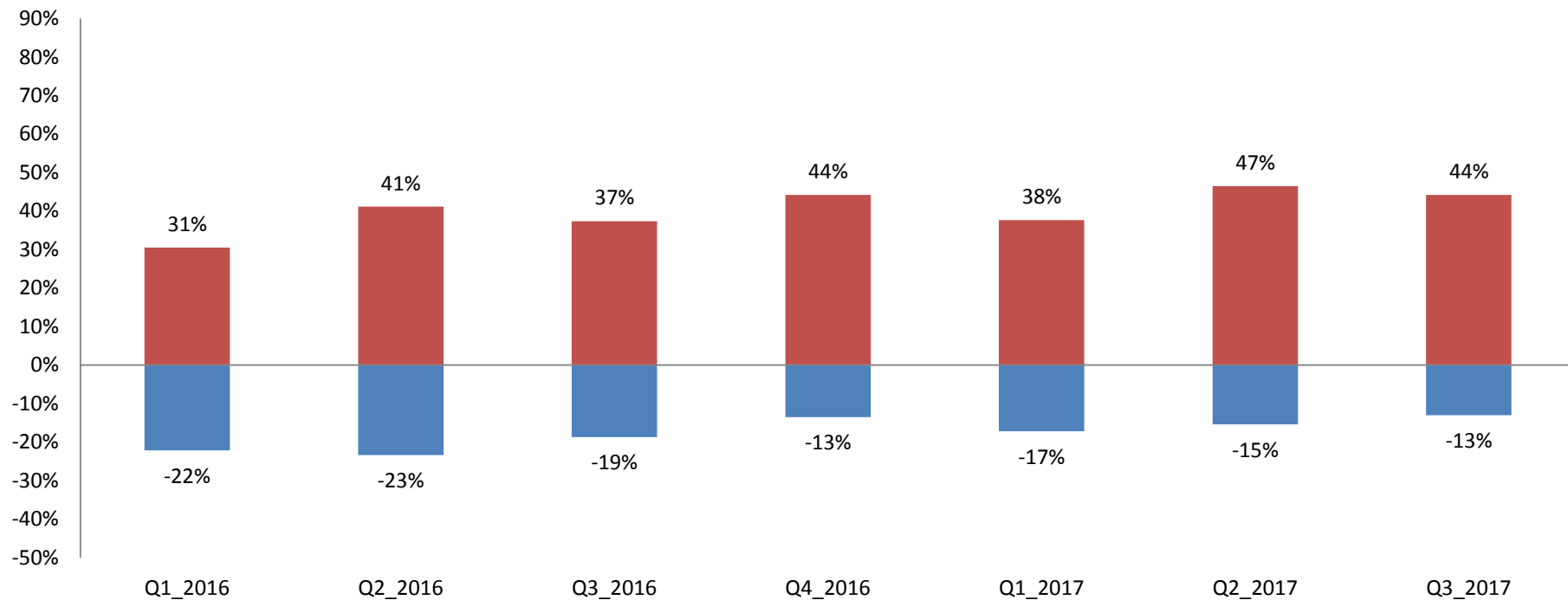
■ Much Reduced/Reduced
■ Much Increased/Increased



308 Respondents

National Past Employment

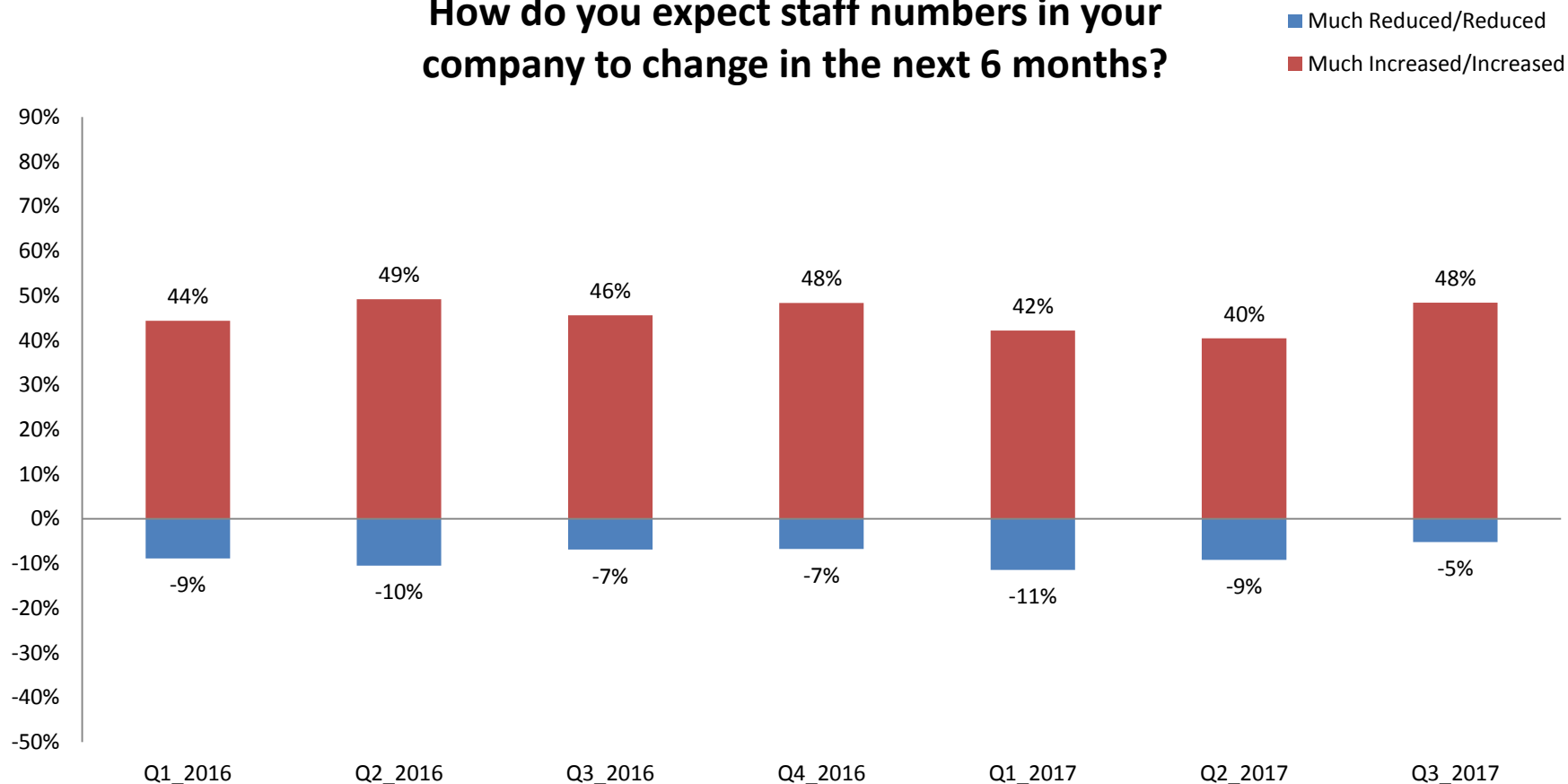
How have staff numbers in your company changed in the past 6 months?



308 Respondents

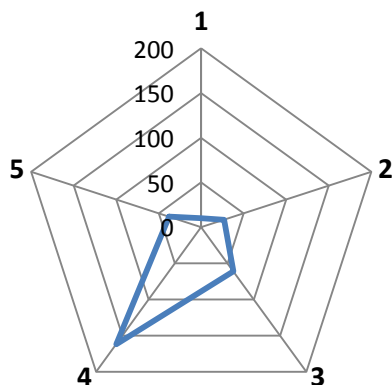
National Future Employment

How do you expect staff numbers in your company to change in the next 6 months?

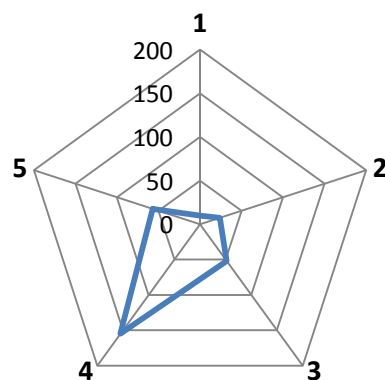


308 Respondents

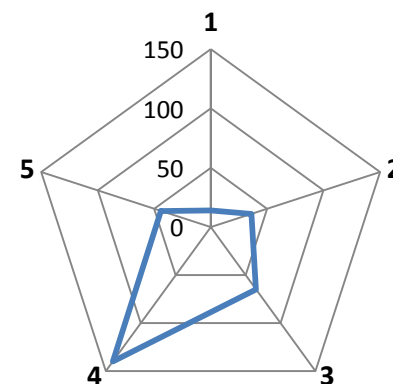
Strategy & Vision



Our organisation has defined productivity improvement as a key strategic objective with a shared vision and clear connections to how improving productivity increases the value we deliver to customers and stakeholders.



Our board and senior managers champion productivity improvement and provide continuous and visible support.



We have identified budgets and resources to deliver productivity improvement throughout our organisation.

Score guide:

- 1 – We do not do this and do not recognise the need
- 2 – We do not do this but we recognise the need
- 3 – We do some of this but have achieved insufficient results
- 4 – We do most of this and we are making some progress
- 5 – We do this and we are achieving our productivity goals

298 Respondents

Strategy & Vision

Viewed as critical activity this year – *Anonymous, Dorset*

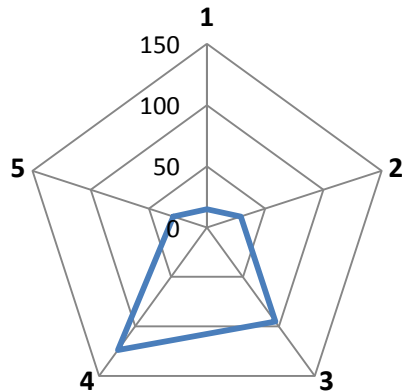
Productivity improvement championed at Board level, reduced downtime and faster change overs – *Anonymous, Somerset*

We have over doubled productivity in the past 4 years and seek to repeat this over the next 2 years – *Peter Bruch, MD, AE Aerospace, West Midlands*

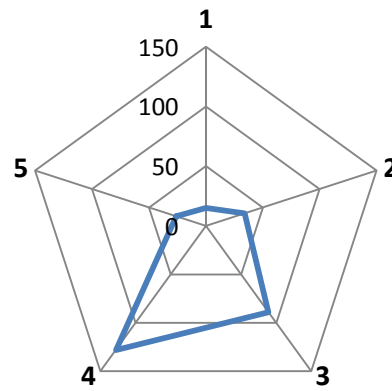
We have a 10 year plan in place to achieve our future goals – *Heights (UK) Limited, West Yorkshire*

Part of strategic plan from 2016 – *Anonymous, West Yorkshire*

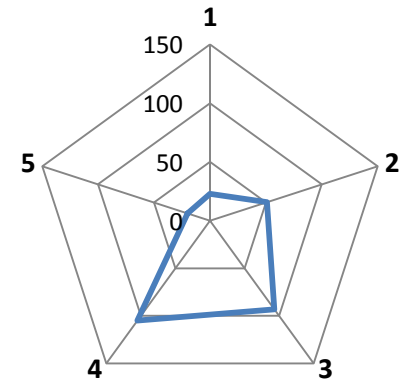
Leadership & Management



All departments have defined objectives that link driving productivity with our business strategy.



Our leaders are managing change effectively and each department has identified and prioritised improvements that drive productivity.



Each department measures and communicates its current performance, and has targets for improvement, which are deployed at all levels.

292 Respondents

Score guide:

- 1 – We do not do this and do not recognise the need
- 2 – We do not do this but we recognise the need
- 3 – We do some of this but have achieved insufficient results
- 4 – We do most of this and we are making some progress
- 5 – We do this and we are achieving our productivity goals

Leadership & Management

Productivity can often become a victim of a customers ever changing requirements.....leading to unproductive working practices – *MD, Axis Electronics Limited, Bedfordshire*

We have a long term plan to improve productivity in our business. But rapid changes in our market makes it difficult to follow a single strategy – *Heights (UK) Limited, West Yorkshire*

Management team are committed to driving improvements, gaining employee buy in seems to be the problem – *Anonymous, Worcester*

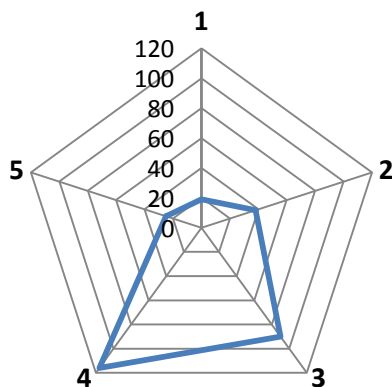
We recognise that we are poor at this, however the growth of the business has precluded a full CI & Leadership process to be implemented – *Anonymous, West Midlands*

We struggle to employ staff who have the correct skills and to be honest the drive to do well, this is especially true in the younger age bracket – *Anonymous, West Yorkshire*

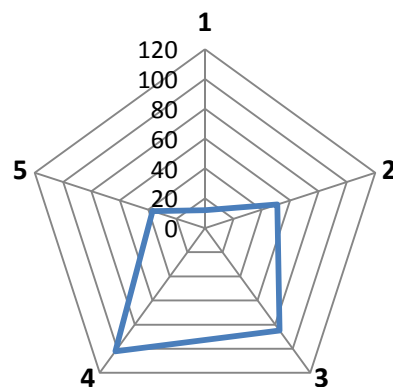
We are struggling to find key skilled management to take the company forward – *Anonymous, Bedfordshire*

The general workforce struggles to understand their connection and only believe that any profit should be paid to them as wages. The concept of investment does not want to be understood – *Anonymous, Devon*

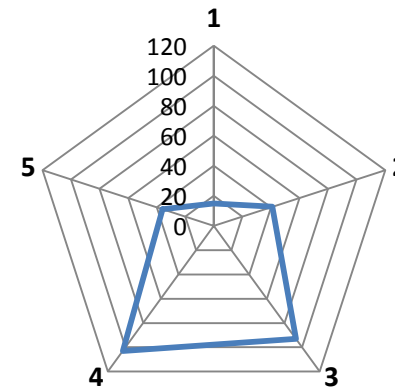
Delivering & Sustaining Improvement



We operate a structured, team-based approach to productivity improvement with skills and resources in place to define, measure, analyse and improve what we do.



Most of our people are engaged in identifying and improving productivity improvements.



The changes we make are sustained and we share learning with our wider business.

288 Respondents

Score guide:

- 1 – We do not do this and do not recognise the need
- 2 – We do not do this but we recognise the need
- 3 – We do some of this but have achieved insufficient results
- 4 – We do most of this and we are making some progress
- 5 – We do this and we are achieving our productivity goals

Delivering & Sustaining Improvement

Recent recruitment should help in this area, but at the moment the results are not coming through as yet – *SRM Industries*

Most people are aligned to improvement but not everyone! – Anonymous, Somerset

There is an industry skills deficit which impacts upon our business which means we have to do a lot of in-house training which takes a lot of time and resources – *Anonymous, West Midlands*

it is hard to find the cash to invest in growth as we are being squeezed on costs – Anonymous, Bedfordshire

Need to make changes, hard to implement the changes, employees cannot see problems – *Anonymous, West Midlands*

What does Productivity mean to your business?



What does Productivity mean to your business?

Productivity is the efficiency of man hours spent by our workforce as well as the support of our employees to ensure they have all of the necessary tools to carry out their role to their best ability – Liam Dell, Creative Party, Dorset

**Better utilising our staff and other resources to satisfy our customers more efficiently – Ben Mellick, AM
Sensors, Somerset**

Work with maximum efficiency, whilst maintaining high quality. Utilising the staff and facilities that we have to achieve maximum output - *Ace Contracts London Ltd, Essex*

Larger number of units produced to the same quality – Anonymous, West Sussex

Safety, Quality, reliability and reduced defects and increased profitability – Anonymous, Gloucestershire

To an SME productivity is the way we stop accepting reduced profits from our business. Our costs are mostly outside of our control and rise every year. Our customers however rarely apply the same logic, and even want price reductions if they can get them. Therefore the only way we can stop being the squeezed middle is to improve our productivity. That way we can cope with cost increases and sales price freezes, and still make a profit - Geometric Manufacturing, Worcester

Hours input v product output but this is hugely dependent on other factors such as pay, engagement, leadership, training and product mix / volume – Anonymous, Cornwall

Everything – MD, Sabel Cosmetics, West Yorkshire

About the Manufacturing Barometer

The Manufacturing Barometer is a quarterly survey that charts the experiences of UK SME manufacturers. It is the largest survey of its kind and has informed both government industrial strategy and the national debate on manufacturing.

Run by [SWMAS](#), part of the [Exelin Group](#), since 2009 in the South West of England and recently partnering with [Economic Growth Solutions](#), the Manufacturing Barometer records trends in employment, turnover and investment. Each quarter, a 'special focus' explores an issue in greater depth. In the past this has included issues such as productivity, overseas production and energy efficiency.

Companies are able to use this quarterly Manufacturing Barometer to compare themselves against other firms within their sector or region.

The Exelin Group are experts in [productivity and growth](#). If you would you like one of our team to undertake a diagnostic review, helping identify opportunities in your business, or for more information on this report, please contact:

info@swmas.co.uk

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