

# BACKING MANUFACTURERS: THE MAKERS' MANIFESTO



In recent years manufacturing has enjoyed a renaissance. Our sector directly employs almost three million people and indirectly supports many more. Manufactured goods account for almost half of all UK exports, and the EU is our largest market.

Our sector is a high quality employer: wages are 13% above the national average, many employees work in hi-tech environments and our commitment to comprehensive apprenticeships, training and up-skilling is second to none. Make UK is proud to have played a leading role in manufacturing and engineering for over 100 years, and today we represent the interests of over 20,000 companies employing over a million people.

## PRIORITIES FOR THE NEXT GOVERNMENT

BREXIT: Manufacturing's first and foremost priority for the next government is to see the risk of a no-deal Brexit eliminated and to bring certainty and clarity to our single most important trading relationship. For the past three years we have campaigned for:

- frictionless trade
- regulatory alignment
- access to labour; and
- a lengthy transition period that allows business time to adapt to change

This manifesto highlights the top priorities for UK manufacturers, setting out a point-by-point plan for those measures that, within the framework of an industrial strategy, will ensure that Britain remains the best place in the world to do business.



# UK MANUFACTURING: THE FACTS

**2.7 MILLION**  
employees

**£192 BILLION**  
worth of output

The **9<sup>TH</sup>**  
**LARGEST**  
manufacturer in the world by output



**66%** of **UK R&D**

**15%** of total  
**BUSINESS INVESTMENT**

**44%** of our global exports  
worth over

**£273 billion to the UK economy**



## PRIORITIES FOR THE NEXT GOVERNMENT



### Fix the failing **apprenticeship levy** to boost the supply of domestic skills

Manufacturers are true champions of apprenticeships, but the apprenticeship levy system is failing manufacturers of all sizes. The government must use its current review to take a more radical look at how the system is functioning. It must be transparent with business as to the finances involved in the levy and redirect funding towards areas which fill actual skills shortages.



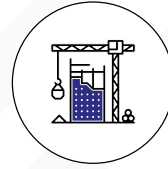
### Sustainable **funding for STEM**

Outcomes of the post-18 funding review have the potential to radically change the higher education landscape. Any recommendations to reduce tuition fees, without boosting funding elsewhere, risks reducing the number of STEM (science, technology, engineering and maths) courses offered by higher education institutions. In addition to looking at the impact changes to fees will have on these vital STEM subjects, government should also reverse the real term decline in the premium that high cost subjects such as engineering and science receive, which currently fails to cover the true cost of delivery.



### Create **credible vocational routes** for young people

For too long vocational education has remained in the shadow of academic learning. The Government's reform to post-16 technical education, including the introduction of T-levels, has the potential to give vocational education a much needed boost. However, post-16 fixes are not enough. Government must also look again at the pre-16 curriculum, scrap the E-Bacc and promote subjects such as design, engineering and technology.



### Invest in **infrastructure**

Government should set out a clearly prioritised pipeline for the UK's major infrastructure projects. It should also explore and develop new models of public-private partnership initiatives to fund and deliver the digital and physical infrastructure and innovation our country needs.



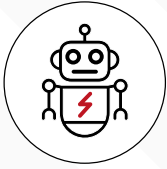
### Deliver **economic devolution**

The UK economy is a world leader, however, our success is not shared evenly across the country. To address this, government must drive forward ultrafast broadband coverage, outline a roadmap to reform the planning process and help develop a culture of long-term investment across the public and private sector. This should include financing research and development, as well as investments in innovation and enterprise, improving skills and improving infrastructure across all UK regions.



### Cut the **cost of energy** for energy intensive industries

The UK consistently has some of the highest industrial electricity prices in Europe. UK steel producers today pay 62% more for electricity than their competitors in Germany and 80% more than in France. Government must introduce a range of measures similar to those already in operation elsewhere to ensure UK companies are on a level playing field.



## Implement the **Made Smarter** Review

The Made Smarter Review was a business led commission which set out how UK manufacturing can be transformed through the adoption of industrial digital technologies to produce goods better and faster. The government must speed up the implementation of the review across the UK. This will turn the current pockets of digital technological adoption into a broader movement, helping industry to champion a better, brighter future for everyone.



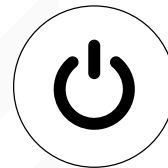
## Rethink UK immigration policy to ensure **access to the skills** manufacturers need

Access to skills is vital to growth and prosperity but additional costs including visa charges, the Immigration Skills Charge, and the Health Surcharge together make the current system increasingly unaffordable, especially for small businesses. Government must also rethink the proposed salary threshold, abolish the skills charge and introduce any changes to UK immigration rules in a phased approach.



## Increase UK **export support** to drive economic growth

To increase the UK's competitiveness in global markets we must boost our international trade in both goods and services. As well as boosting funding for export promotion, Government must develop and expand the trade missions and trade fairs programme to build links with potential new and existing trade partners.



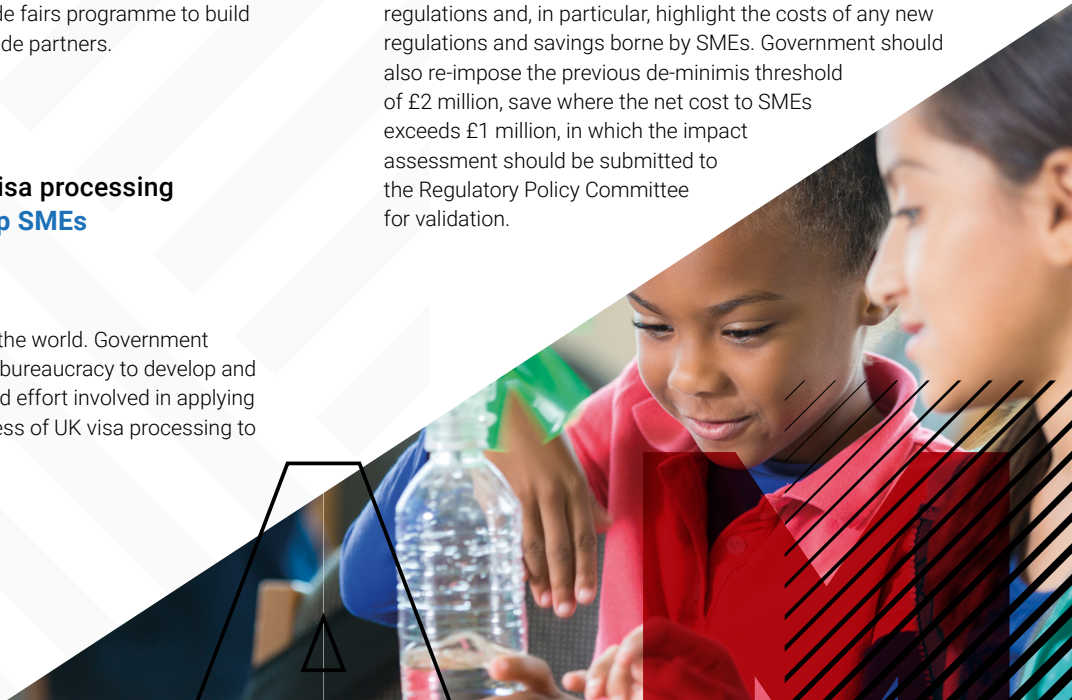
## Reboot the **better regulation** target

Government must reaffirm its commitment to reduce the cost and burden of regulation to business and set out how it intends to transparently achieve this. Government should also return to the former practice of publishing a bi-annual summary of new regulations and, in particular, highlight the costs of any new regulations and savings borne by SMEs. Government should also re-impose the previous de-minimis threshold of £2 million, save where the net cost to SMEs exceeds £1 million, in which the impact assessment should be submitted to the Regulatory Policy Committee for validation.



## Simplify the visa processing system to **help SMEs**

Britain needs to show that it is open to the world. Government should initiate a review of Home Office bureaucracy to develop and implement a plan to reduce the time and effort involved in applying for visas and increase the responsiveness of UK visa processing to meet employer needs.



## PRIORITIES FOR THE NEXT GOVERNMENT



### **Business rates reform to encourage investment in growth**

Business rates are broken. The system can disincentivise investment and has become a tax on productivity and growth. Investment in plant and machinery should be removed from business rates. Government should also include business rates in its 'Making Tax Digital' programme and should work to simplify, clarify, and consolidate the current raft of reliefs and allowances available to businesses. As a longer term project, any change to the business rates system should form part of a wholesale review of business taxation by HM Treasury.



### **Stop cybercrime costing business**

Make UK welcomes the steps the government has taken to improving national cyber security resilience. However, a particular focus is needed on the evolving requirements of manufacturing. This must recognise that a one-size-fits-all approach for business is insufficient and comprehensive security cannot be the exclusive domain of large corporations.



### **Reform regulations to reflect modern working practices**

Following the Taylor Review on modern employment practices, there is a need to create a more level playing field between the employed and self-employed by reforming National Insurance Contributions.



### **Foster future innovation**

Catapult centres are a network of world-leading centres designed to transform the UK's capability for innovation in specific areas and help drive future economic growth. However, although manufacturers' awareness of the centres is relatively high, usage levels could be higher. The existing network of Catapults should be strengthened in order to reach more manufacturers, particularly SMEs. The Catapult Network, Innovate UK and local authorities should work with business representative groups to reach potential high growth SMEs to create clusters of cutting edge innovation and growth in regions across the UK.



Make UK is the voice of manufacturing in the UK, representing all aspects of the manufacturing sector including engineering, aviation, defence, oil and gas, food and chemicals. Comprising some 20,000 businesses employing almost one million workers, Make UK members operate in the UK, Europe and throughout the world in a dynamic and highly competitive environment.

Britain is one of the world's biggest manufacturing nations. Almost 3 million people work in our sector and deliver almost half of all UK exports. Our members drive over 60 percent of all UK research and development. As a result of that investment, manufacturing as we know it is changing, adapting, and transforming each and every day.

The manufacturing sector is at the cutting edge of innovation; leading the way in developing skills and driving competitive advantage for the UK. Make UK is focused on creating the most supportive environment for UK manufacturers to thrive, innovate and compete. We do this so that together, we can build a platform for the evolution of UK manufacturing.

## **MakeUK.org**

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