

2021

INSIGHT, INFLUENCE & IMPACT

2021 IMPACT REPORT

Following a tough 2020, we saw the manufacturing sector prioritise its recovery in 2021. Rebuilding workforces, sustaining business growth and creating opportunity in an uncertain business environment was key.

Alongside the more immediate challenges they faced including supply chain disruption and labour shortages, manufacturers have also been grappling with transformative challenges such as the resetting of the UK's trading relationships, and transitioning to a net-zero future. Yet the sector continues to lead by example and is currently adopting digital technologies at a faster rate than ever before.

In 2021 manufacturers demonstrated that the future for the sector is very much digital and green.

This year we wanted to build on the positive progress the sector had made during the pandemic - becoming a critical sector for the UK economy. In 2021, by backing UK manufacturing and its people, we have strengthened the UK's industrial base, demonstrated that the sector can deliver shared and inclusive growth, across our regions and economy, and led the charge in building a digital and green future.

Collectively we have made progress on these generational issues and our sector has demonstrated to Government that it is part of the solution.

In 2022, we want to see Government set a bold, new, brave vision by backing manufacturing using the right policy levers in the next decade that supports our sector.



“Government must work in a spirit of partnership with industry to develop a longer-term economic plan. Industry is vital to the future of any new economy.

It will also be the solution to not just the major societal and environmental challenges we face in the future but the need to boost living standards in a practical way across the whole of the UK.”

Make UK CEO Stephen Phipson CBE



“It is vital that manufacturing continues, and I want to reassure you that the Government values the contribution your sector is making.

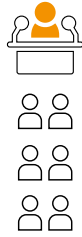
Your work in areas such as aerospace, chemicals, automotive, metals pharmaceuticals, plastics, and many other manufacturing sectors as well as in delivering vital services, products or materials are critical elements of the economic recovery we are building and the fight against Covid-19.”

Secretary for State, Business, Energy and Industrial Strategy, Kwasi Kwarteng

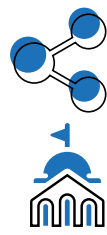
MAKING YOUR VOICE COUNT IN 2021

Our nine Regional Advisory Boards, four Policy Committees, three Stakeholder Steering groups, and one National Membership Board means our work is driven by the views of over 200 manufacturing leaders¹.

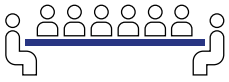
REPRESENTING THE VIEWS OF MANUFACTURERS AT 15 BODIES ACROSS GOVERNMENT



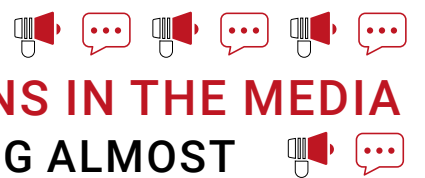
400 POLITICAL ENGAGEMENTS INCLUDING 200 WITH GOVERNMENT



70 MEMBERSHIP BOARD MEETINGS WITH MANUFACTURING LEADERS



8,600 MENTIONS IN THE MEDIA INCLUDING ALMOST 900 BROADCAST INTERVIEWS



OVER 1.1 MILLION IMPRESSIONS AND VIEWS OF OUR WORK ON TWITTER @MAKEUKCAMPAIGNS



OVER 20 POLICY WINS ACROSS THE YEAR



“Manufacturing and advanced manufacturing is very important to the UK economy. What I have been really pleased to see in the last few years is how manufacturing has moved on so much and it is why we need to work now to preserve those jobs.

We have a manufacturing sector which is smart and world-leading, and we need to retain that.”

Leader of the Opposition Labour Party, Sir Keir Starmer

¹Includes Affiliate Partners, Manufacturing Alliance Group, and Make UK'S Government Affairs Group.

2021 CAMPAIGNING WORK

Our four policy campaigns focused on the big issues impacting the manufacturing sector in 2021. Through our campaigning and advocacy efforts we have secured policy changes for manufacturers, enabling them to recover from the pandemic as well as lay the foundations for future growth.





DIGITAL AND GREEN

A digital and green future goes hand in hand as we transition towards a more sustainable economy.

We've supported manufacturers' plans to accelerate investment in digital and green technologies and tackle the barriers to achieving this, from finance to skills to cultural change.

How we've influenced Government policy



A review of R&D tax reliefs, and launch of tax credit consultation

Make UK called on Government to consult industry, in a bid to modernise and simplify the R&D tax relief scheme. At the Budget, the Chancellor launched a review into R&D tax reliefs. Make UK supported the case to include capital expenditure within the qualifying expenditure for the purposes of the R&D tax credit. At the 2021 Budget, the Chancellor announced a consultation on extending the scope.



Tailored sustainability support on SME climate hub

BEIS took on board our recommendations of sector-specific measures that manufacturers can take to get started on their path to net zero for their SME Climate Hub. The Hub formed a key platform to support manufacturers as part of The Race to Zero campaign in the run up to COP26.



IETF criteria expanded to consider smaller projects

Make UK successfully called for BEIS to allow better accessibility to the Industrial Energy Transformation Fund for SMEs, supporting those embarking on smaller projects. This is a significant step in providing grant funding for manufacturers in the deployment of industrial energy efficiency projects as we transition to a digital and green future.



Dedicated training fund via NCSC for manufacturers

Make UK's Cyber Resilience paper made recommendations to increase training for the UK manufacturing sector, given the risk of an attack as the sector continues to digitise. Off the back of this call, the National Cyber Security Centre (NCSC) has tailored its support and guidance to support manufacturers through its top tips to protect our sector, as well as create a dedicated training fund to support the sector.



Secure funding for Made Smart Programme at October Spending Review

Make UK called for the Made Smarter programme to be protected at the Spending Review in October. It has now been extended in North West and rolled out in North East, Yorkshire and the Humber and the West Midlands regions. The new Help to Grow programmes will support, not supersede this programme.



A STRONG INDUSTRIAL BASE

A strong industrial base can boost productivity and deliver shared economic growth across the UK.

By putting the UK manufacturing sector once again at the heart of our economy through the Government's Levelling Up agenda

How we've influenced Government policy



Cancellation of the planned increase to the business rates multiplier

Make UK has long argued for reforms to business rates which remain outdated and costly. During the Spending Review the Chancellor listened, cancelling the planned increase to the business rates multiplier. The threat of increased rates has always had a suppressing effect on manufacturers likelihood to invest in their plant, so this relief, albeit short-term, is a step in the right direction in giving the manufacturing sector the support it needs to deliver our recovery.



Extension to the annual investment allowance

At the Spending Review in October, the Chancellor announced an extension of the uplift to the annual investment allowance. Make UK argued that this maintained uplift can give manufacturers the capacity to commit to larger-scale investments in a period where businesses have been more bearish with their cash than usual.



Introduction of the super deduction at Budget

The Chancellor announced the introduction of the Super Deduction at Budget, allowing manufacturers to invest in new plant and machinery assets that can benefit from a 130% first-year capital allowance. Early Make UK research suggests that as a result a quarter of companies will increase investment and a further quarter will bring forward investment.



Doubling of the apprentice incentive for employers at Budget

The Government doubled the apprenticeship incentive for employers from £1,500 to £3,000. This followed discussions between Make UK and officials in Treasury and DfE that said the current incentive was having little impact. Since the increase we have seen the number of Make UK members say they will consider recruiting more apprentices increase.



Commitment to rollover best parts of the Industrial Strategy

Make UK expressed its frustration at the Industrial Strategy being scrapped and superseded by the Plan for Growth, now led by Treasury. In a direct letter from Secretary of State Kwasi Kwarteng, the Government has committed to taking forward the best bits of the Industrial Strategy, continuing to fund sector deals, and existing projects that have proven successful.



NAVIGATING OUR NEW RELATIONSHIP

Manufacturers will need to adapt to a new global trading environment.

Supporting manufacturers to trade and ensuring UK manufacturing can compete on the global stage.

How we've influenced Government policy



UKCA Product Marking period extended

Government announced an extra year for business to apply new product labelling for the GB market. This provided a huge relief to industry and a lifeline to protect supply chains into GB. The extra year will provide domestic manufacturers and importers to GB with additional time to comply with the new requirements.



Guidance on trade with EU

Make UK continues to work with Government to improve guidance and support for companies as they navigate the new relationship with the EU. In response the Government has improved guidance on Customs procedures, including on Rules of Origin as well as publishing country-by-country guides for business travel.



New support for Exporters

Make UK welcomed a new Government Export Strategy announced in the autumn. The new Export Strategy will provide additional support for exporters including tools, information and support. Make UK will support the strategy into implementable solutions for manufacturing. In addition, Make UK called for an Export Support Service. This provides a 'one-stop' service for firms trading with the EU.



Dedicated SME Brexit support fund

Following calls from Make UK for a voucher scheme to support SMEs in securing advice on new exporting processes and customs training, the Government introduced the SME Brexit Support Fund. The fund was designed to provide £2,000 to help each company with training or professional advice for businesses with up to 500 employees and no more than £100 million annual turnover.



START UP TO SCALE UP

Harnessing the power of the UK manufacturing sector can help to revive and rebalance our regions.

Creating a business environment where manufacturers can grow and thrive to support regional communities and create good jobs.

How we've influenced Government policy



Introduction of two Help to Grow schemes at Budget

At Budget, Government announced the introduction of the Help to Grow Management scheme which will support businesses to learn how to improve business performance and growth. Simultaneously it announced the Help to Grow Digital scheme offering manufacturers free online advice and money off software that could help you save time and cut costs through this scheme. Make UK has been calling government to support SMEs with hopefully impartial advice around investing in new digital technologies.



12 month relief on business rate hike

During the Spending Review, the Chancellor listened to calls to reform business rates. Make UK made the case that SME manufacturers are lacking the physical space to upscale their business, hampering growth. As a result, at the Budget the Chancellor, introduced a 12-month relief on businesses rate hikes arising from premises investment.

RECOVERING FROM THE PANDEMIC REMAINED A PRIORITY

How we've influenced Government policy



Extension of the Job Retention Scheme to September

Make UK was one of the only organisations to call on Government to extend the Job Retention Scheme to at least Q3, and for the scheme to be tapered from July to prevent a cliff-edge. At the Budget the Chancellor announced the scheme would be extended to September. This has allowed manufacturers to retain highly skilled employees at a time when demand, sales and orders has dropped.



UK manufacturing sector allowed to stay open during the third national lockdown

Make UK successfully lobbied to allow the manufacturing sector to stay open and operational through the third national lockdown. This was confirmed by BEIS Secretary of State, Kwasi Kwarteng in an open letter to all of UK manufacturing.



EU vaccination status change

Government listened to Make UK's concerns and are implementing a change on European Union vaccination certificates. This means individuals who are fully vaccinated with a WHO EUL vaccine will not need to self-isolate if identified as a close contact while in England.



Extension to Recovery Loan Scheme

At Autumn Budget 2021, the Government announced that the Recovery Loan Scheme will be extended by six months to 30 June 2022. Make UK made the case that the scheme has been particular helpful for small and medium sized businesses on a precautionary measure through the worst of the pandemic.



SHARING OUR POLICY MESSAGE ACROSS THE REGIONS

In 2021 we saw the return of in-person events between Make UK members, MPs, and stakeholders. All across the UK, Make UK members showcased how they were pushing for policy change at a regional level.

CREATING GREEN JOBS

West of England Metro Mayor, Dan Norris met with Make UK member Knorr Bremse to highlight and discuss the importance of green skills for the local economy. This follows Make UK's work in partnership with Sage 'Unlocking the skills needed for a Digital and Green future'. The visit reinforced the importance of UK manufacturing to meet his ambition to bring 23,000 new green jobs to the West of England which he believes is a central way in which the West of England begins to tackle the climate emergency and sustainably achieve net zero targets.



Metro Mayor Dan Norris at Make UK member Knorr Bremse

BECOMING A KICKSTART GATEWAY

The Kickstart Scheme originally required committing to over 30 placements for a company to access the funding or were required to use a Gateway organisation. Following an East Midlands Regional Advisory Board meeting where members wished to use the DWP KickStart scheme but could not offer 30 placements, Make UK became a Gateway organisation. This allowed companies to apply to be part of the scheme via Make UK to provide KickStart opportunities for 16 – 24 year olds.

In order to encourage fellow members to take advantage of the Kickstart Scheme and provide young people an opportunity during the pandemic, a roundtable was held with the Minister for Employment Mims Davies MP to inspire members to build back better. Six months into the schemes launch, Make UK and its members were responsible for over half of Kickstart placements in manufacturing.



Minister of Employment Mims Davies MP with Make UK discussing the Kickstart Start Scheme

CHAMPIONING UK MANUFACTURING AT COP26

The UN COP26 held in Glasgow was an opportunity for Make UK to showcase how the UK manufacturing sector is playing its part in transitioning to a net-zero carbon economy. In addition to cutting greenhouse gas emissions, the sector is already delivering the innovative products, processes, and services that will become an integral part of the green industrial revolution.

Across numerous events during COP26, including at the conference itself in the Blue Zone, Make UK demonstrated how the sector is already stepping up to the challenge - demonstrating that it can be competitive while taking meaningful action on climate change.



1. Stephen Phipson CBE, Chief Executive, Make UK at COP26
2. James Brougham, Senior Economist, Make UK speaking at the Green Horizon Summit at COP26
3. Bhavina Bharkhada, Head of Policy & Campaigns, Make UK speaking at the COP26 Regional Roadshow
4. Verity Davidge, Director of Policy, Make UK speaking at the MTC conference on unlocking a digital and green future
5. Brigitte Amoruso, Climate Change and Energy expert, Make UK with Nigel Topping inspiring manufacturers to go green ahead of COP26

DRIVING CHANGE IN GOVERNMENT

This year Make UK has engaged with MPs and decision makers from across the political spectrum on a range of different issues impacting the manufacturing sector.

We started the year with a discussion with the then Shadow Chief Secretary to the Treasury Bridget Philipson MP and former Chancellor Philip Hammond on our Executive Survey and over the course of the year we have also held member roundtables with the Chair of the BEIS Select Committee Darren Jones MP, Brexit Minister Lord Frost, the then Shadow BEIS Secretary Ed Miliband MP and the new Minister for Industry Lee Rowley MP. We have also had the Chair of the Science and Technology Select Committee Greg Clark MP and the Chair of the Work Pensions Select Committee Stephen Timms MP to speak to our policy committees and listen to the views of manufacturers.

As ever we have enjoyed hosting senior politicians at our Technology Hub in Aston and this year our apprentices have welcomed the Shadow Skills Minister Toby Perkins MP, the Shadow Education Secretary Kate Green MP and the Mayor of the West Midlands Andy Street.

With the return of in person party conferences, Make UK also had a significant presence at the Labour and Conservative conferences. We hosted a roundtable dinner at Labour

with Ed Miliband MP and Darren Jones MP as well as the Shadow BEIS Minister Seema Malhotra MP looking at Make UK's research on green skills and we hosted a dinner at the Conservatives in partnership with the Enterprise Forum where the Trade Minister Penny Mordaunt MP spoke about the Government's trade priorities. We also partnered with the APPG for Apprenticeships on their party conference Apprenticeship Fair to highlight the work of our apprentice training centre.

In 2021, Make UK engaged in the combined authority mayoral elections, creating regional fact cards to send to each of the candidates standing for election and inviting the winning candidates to meet our members. As a result of this since the election we have met the Mayor of the West of England Dan Norris, the Mayor of Liverpool City Region Steve Rotherham, and the Mayor of Tees Valley Ben Houchen. We have also held visits or roundtables with the Mayor of Cambridgeshire and Peterborough Nik Johnson and the Mayor of the West Midlands Andy Street and we have been offered a place on the West Yorkshire Manufacturing Taskforce led by the Mayor of West Yorkshire Tracy Brabin.



Secretary of State for Education, Alex Burghart with CEO Stephen Phipson at the Conservative Party Conference



Metro Mayor Andy Street with Make UK apprentices



Former Shadow Education Secretary Kate Green MP with Make UK apprentices

LAUNCHING... MAKE UK MODULAR

Make UK Modular the newly formed voice of 'volumetric' modular, represents the most advanced form of housing construction in the United Kingdom. Make UK Modular was founded by 5 businesses Ilke Homes, L&G Modular Homes, Top Hat, Urban Splash and Laing O'Rourke to act as the voice for the modular housing industry.

'Volumetric' modular is pioneering the next generation of buildings. We enable the building of new houses and apartments at scale, with inspiring design, employ cutting edge technology for construction and living, while creating the most sustainable buildings on earth. By building factories in areas of low economic activity we create thousands of jobs to help the nation level up.

The UK housing market is still running on 19th Century technology and practices. In no other major industry has industrialisation been so slow to take place. With substantial private equity investment from the likes of Goldman Sachs, L&G, TDR Capital, and the world's largest housebuilder Sekisui House modular housing can transform UK housing delivering better quality new homes, faster and more efficiently than traditional build.



To find out more about Make UK Modular, please contact Steve Cole at scole@makeuk.org

EXTERNAL CAMPAIGNS WE'VE SUPPORTED THIS YEAR

TOMORROW'S ENGINEERS | **CODE**

**THIS IS
ENGINEERING
DAY**

**MADE IN
THE UK
SOLD TO THE
WORLD**

**MADE
SMARTER**



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ALIGN YOUR BRAND WITH OURS

Raise your profile and reach the right audience by partnering with Make UK. From the flagship National Manufacturing Conference and National Manufacturing Awards, to influential industry reports and regional events leverage our brand for the benefit of yours.

To find out about current opportunities contact Carolee Summers-Sparks at csummers-sparks@makeuk.org

2022 POLICY CAMPAIGNS

From the first industrial revolution to the emergence of the fourth, the manufacturing sector has remained the UK's economic engine and the world's workshop. Despite the sector being hit hard by the impact of Covid-19, early indications show some green shoots appearing in recovering orders, output, and employment. Building on this is critical if the sector is to have a key role to play in laying the foundations of our new economy and supporting the Government's Plan for Growth ambitions.

However, in 2022 manufacturers will be faced with an increased tax burden, following the rise of National Insurance Contributions and incoming increase in Corporation Tax. Government must ensure that the UK is still seen as a good and competitive place to do business.

To build on the delicate green shoots of recovery we have seen towards the end of 2021 the manufacturing sector needs confidence to invest. And to encourage boardrooms to make the crucial decision to invest in the UK, and not overseas, business needs a long-term comprehensive plan for the future of UK industry.

In 2022 it is vital that Government focuses its efforts on policy changes that generate revenue through business growth, and not revenue from taxation.

We want to see Government set a bold, new, brave vision by backing manufacturing using the right policy levers in the next decade that supports manufacturing.

TOGETHER, UK MANUFACTURING IS...





TRANSITIONING TO A NET-ZERO ECONOMY

Over three-quarters of manufacturers plan to implement a net zero strategy in their business within the next two years.

Manufacturers will play a crucial role in the transition to a net-zero carbon economy, not only by cutting its own greenhouse gas emissions, but also through the innovative products, processes and services that will become an integral

part of the green industrial revolution. There are commercial opportunities to be had too, as manufacturers look to not only 'green' their own processes and production but to develop 'green' products and services.



BUILDING RESILIENT WORKPLACES AND WORKFORCES

Almost 9 in 10 manufacturers are concerned about skills leaving their business in 2022.

The impact of the pandemic on the manufacturing workforce has been significant - from embracing remote working and learning, to upskilling and retraining employees to new digital ways of working. Building resilient workforces and workplaces

will be crucial to the success of not only the sector, but the wider economy. For every 1 job created in the manufacturing sector, another 3 are created in support industries, underlying the sector's key role in levelling up.



OPERATING WITHOUT BORDERS

4 in 5 manufacturers are exporting their goods or services across the globe.

Our Trade and Cooperation Agreement with the EU gives us the ability to do things differently and better suited economically. In the years ahead, agility and speed of action will enable us to deliver for our economy, enhancing our prosperity and security. We must continue to be a global

champion of free and fair trade and to ensure that the openness of our economy – to the free flow of trade, capital, data, innovation, and ideas - means that the UK remains one of the best places in the world to do business.



DELIVERING SUSTAINED STABLE GROWTH

The manufacturing sector employs 2.7 million people with wages 13% higher than the economy average.

The manufacturing sector has a crucial role to play in the recovery of both our national and regional economies. For every 1 job created in the manufacturing sector, a further 3 are created in other industries. As we look ahead to

building sustained and stable growth in the next decade, manufacturers will be looking for Government to create a conducive business environment which supports this ambition to invest, grow and expand.

JOIN MAKE UK AND UNLOCK THE POTENTIAL OF YOUR BUSINESS

From the first industrial revolution to the emergence of the fourth, the manufacturing sector has been the UK's economic engine and the world's workshop. For almost 125 years, Make UK has represented manufacturers who are creating the new technologies of today and designing the innovations of tomorrow.

We have championed manufacturers who have invested in their people, allowing them to compete on a global stage, and provide the solutions to the world's biggest challenges. More than ever before, the UK economy needs manufacturers to step up and boost productivity, power economic growth, and deliver shared opportunity in every region of the UK.

That's why we have a clear, coherent message to Government – work with us to back UK manufacturing, and help us engineer the future.



INSIGHT

Make UK members receive exclusive access to insight and analysis tailored for manufacturers. Our comprehensive industry intelligence allows you to identify trends that shape your business strategy, so you can plan your operations with confidence, support your workforce and strengthen your bottom line.



INFLUENCE

We create a supportive environment for UK manufacturing growth and success representing the issues that matter to our members, working hard to ensure UK manufacturing remains in the Government and media spotlight. Our unrivalled knowledge of manufacturing means we are able to influence policy-making at local, national and international levels.

We push for the policy change our members want to see. Together, we help our members to achieve more.



GROWTH

Make UK members can connect with buyers, suppliers and decision makers via a comprehensive events programme and an unrivalled network of businesses. Build connections, grow your profile and take your business to new heights with direct access to a community of professional who share a passion for manufacturing.

STAY CONNECTED

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Read more: www.makeuk.org/backingmanufacturing

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