

In association with:



# REVIVING AND REBALANCING REGIONAL ECONOMIES THROUGH MANUFACTURING

# EXECUTIVE SUMMARY



**Stephen Phipson CBE**  
Chief Executive  
Make UK



**Mike Thornton**  
Partner, Head of Manufacturing  
RSM

Supporting regional economies to rebuild in the face of a recession, and our impending new relationship with the EU, all whilst recovering from Covid-19, will be a huge challenge. The UK manufacturing sector has an important role to play in reviving and rebalancing our economy in the months and years ahead.

To achieve this, this report demonstrates why the Government must refocus its investment and agenda towards the sectors that create good, stable employment, and power local economic growth. This means prioritising the needs of the UK manufacturing sector across our different regions.

**As this report demonstrates, investment to support the growth of the UK manufacturing sector is a sure-fire way to kick-start the revival of our regional economies.**

The manufacturing sector has continually reinvented itself in order to adapt to the structural changes and evolution of our economy - this resilience and tenacity to help revive and rebalance our regional economies will be needed more than ever before. Not only is there a need to refocus our efforts on the issues that matter to manufacturers, but there is also a need to do this quickly. Much of the dissatisfaction manufacturers have felt up to now has been due to the glacial speed at which change is being delivered. As the way we work has changed so dramatically, we need to ensure the environment and infrastructure around manufacturers is one that supports their growth.

The Government has an opportunity to address the concerns raised in this report through its refreshed Industrial Strategy and levelling up agenda - but this needs to be done in consultation with the very businesses driving local economic growth, and powering productivity. It cannot be achieved by

'robbing Peter to pay Paul', and simply redistributing existing funding away from some regions, to others.

**Manufacturers want to see genuine levelling up of regions.**

This begins with focusing on building a strong industrial base as we begin to build a new economy after the Covid-19 pandemic. Reviving local economies and levelling up can be achieved by putting the manufacturing sector back at the heart of local communities, reenergising our national Industrial Strategy and harnessing the power of regional stakeholders to make the whole greater than the sum of its parts. That's why the levelling up agenda must focus on:

- investment in regional and local transport infrastructure projects
- vastly improving digital infrastructure across all UK regions; and
- adapting to ensure the skills needs for a rapidly changing landscape are met.

In this report we will be: providing the regional view of what levelling up means to manufacturers and how this can be achieved in regions across the UK; outlining the strategic challenges to levelling up; exploring how UK manufacturing can support the revival of local economies; and proposing a series of recommendations for Government, local stakeholders, and manufacturers.



# 1. WHAT DOES LEVELLING UP MEAN?

In June 2020 the Government set out its strategy to “...rebuild Britain and fuel economic recovery across the UK”. The ambition was to “...build back better, build back greener, build back faster” by investing in infrastructure and promoting a green recovery<sup>1</sup>.

The desired outcome? To effectively level up across the UK - reducing the gap in opportunities, productivity, and connectivity across different parts of the UK. The Government’s plan focused on achieving this by primarily accelerating infrastructure spend whilst promoting a greener more sustainable economy.

## In England the Government pledged to spend £640bn on infrastructure projects over the next five years, including:

- £100m this year for 29 projects to improve our road network
- Over £1bn to fund the first 50 projects of a new, ten-year school rebuilding programme, starting with a further £560m and £200m for repairs and upgrades to schools and FE colleges respectively this year.
- £900m for a range of ‘shovel ready’ local growth projects ready to begin in an effort to speed up construction of homes and infrastructure in England only.

## Commit to net zero emissions by 2050, and promote a green recovery through:

- £160m to invest in ports and factories across the country to support the manufacture of wind turbines.
- £10m for R&D projects to scale-up manufacturing of the latest technology in batteries, motors, electronics and fuel cells.
- £1bn to support the rollout of ultra-low emission vehicles.

- £40m Green Recovery Challenge Fund to help halt biodiversity loss and tackle climate change through local conservation projects.

Across the devolved nations, they too are being encouraged to spend and accelerate infrastructure projects in the same way that the UK Government is doing, with support through the Barnett formula:

- the Government provided the Scottish Government £5.4bn
- the Welsh Government £2.4bn, and
- the Northern Ireland Executive £1.7bn in capital funding for devolved areas this financial year.

## Levelling up has traditionally focussed on investment in national infrastructure projects

Significant investment in local or regional infrastructure projects has traditionally been seen as the primary way to ‘level up’. Its aim? To concentrate on connecting places, often cities, as a means to providing greater opportunity through greater mobility - and there is good reason to. The role of physical infrastructure has a profound impact in unlocking regional economic growth, as well as creating jobs. In 2017 the rail industry contributed £36.4 billion to GDP and employed 600,000 people, HS2 and a third runway at Heathrow have been forecast to create 30,000 and 77,000 jobs respectively<sup>2</sup>.

<sup>1</sup>Prime Minister’s Speech, A New Deal for Britain: [www.gov.uk/government/news/pm-a-new-deal-for-britain](http://www.gov.uk/government/news/pm-a-new-deal-for-britain), 2020  
<sup>2</sup>‘Levelling up’ and the role of infrastructure: ICE discussion paper, Institute of Civil Engineers, 2020

## 1. What does levelling up mean?

It is why the Government's Industrial Strategy published in 2017 had an entire 'pillar' focussed on infrastructure – with the aim of the work to support long-term productivity and provide a clear strategic direction. Whilst the infrastructure investment proposed rightly aimed to address transport, and poor digital connectivity concerns, three years on, many manufacturers are not seeing the investment feed through to their regions. Digital connectivity remains a barrier for manufacturers, exposed by the Covid-19 pandemic, and the poor state of local transport, particularly moving east to west, shows little sign of improving.

### Manufacturers have a different view to what levelling up means for them

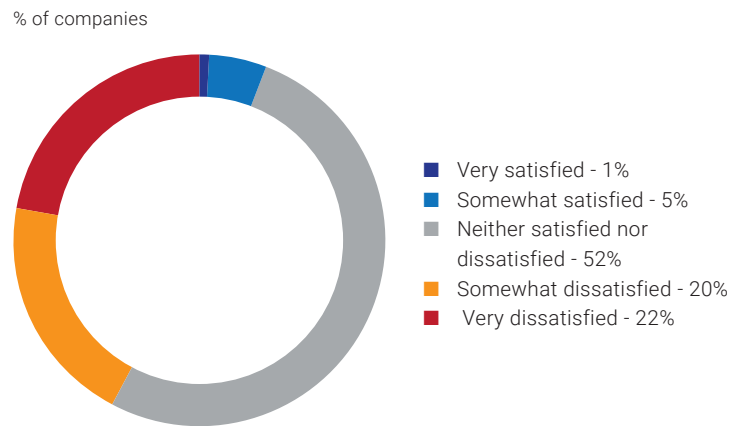
While both the first Industrial Strategy and investments pledged to date are worthy agendas, it should be of little surprise that for manufacturers, levelling up means more than just investment in large-scale national infrastructure projects. In fact our survey found that 42% of manufacturers are dissatisfied with the Government's levelling up agenda in their region – a feeling most pronounced in all three devolved nations, as well as in Yorkshire and the Humber (37%) and the North West (27%).

But over half (52%) said they were neither satisfied nor dissatisfied, underlying a key concern of manufacturers – they cannot see real change in their region. As working behaviours and business models have changed significantly as a result of the Covid-19 pandemic, levelling up must look beyond the traditional focus of physical infrastructure projects clustered around major cities alone. For manufacturers, levelling up means seeing real, tangible change in their regions. Investment in local road and rail links between regional hotspots over large-scale national projects, better digital connectivity through improved broadband for businesses not just households, and affordable housing to encourage local talent to stay in local regions. These are all ways to support local manufacturing sectors, and regional economies.

### Levelling up should harness the power of regions and their differences to prosper

From Newcastle to Newquay, Chester to Chiswick or Brighton to Birmingham, every region, city and town has its own unique advantages. Capitalising on those differences to prosper will be important to effectively level up. Our research found that in the South of England manufacturers were keen to see Government prioritise the digital connectivity agenda, whereas in the North of England the number one priority was the improvement of local road and rail transport connections, and in the Midlands and East it was prioritising local projects over national ones. All of which underlines the point that we must not level down by 'robbing Peter to pay for Paul' - to truly revitalise our local economies, and level up, we must build on their regional differences. We explore these differences in the next section.

### Chart 1: Extent to which manufacturers are satisfied with the degree of activity relating to the Government's levelling up agenda their region



Source: Make UK / RSM survey, September 2020

### What does levelling up mean to manufacturers?

ACCESS ADDRESS APPRENTICESHIP AREA AREAS  
BROADBAND BUSINESS COMPANIES CONNECTIVITY  
COUNTRY DERBYSHIRE DIFFICULT DIGITAL EDUCATION FOCUS  
FUNDING GOVERNMENT GRANT HOUSING IMPROVE  
IMPROVEMENTS INFRASTRUCTURE INDUSTRIAL  
INVESTMENT LINKS LOCAL LONDON  
LOWER MAJOR MANUFACTURING MARKETS NETWORK  
NORTH PAY PEOPLE PRODUCTS PUBLIC RAIL REGION  
REGIONAL ROAD ROADS RURAL SECTOR SOUTH STAFF  
SUPPORT TRAFFIC TRAINING TRANSPORT

Source: Make UK survey, August 2020



# 2. THE REGIONAL VIEW

## THE NORTH

### REGIONAL ECONOMY:

**£9,724**

public spending per head

**£332**

transport infrastructure spend per head

**£30,383**

average income

**24%** have degree-level Education or above

### MANUFACTURING ACTIVITY:

**749,000**

manufacturing jobs

Northern Region average manufacturing productivity ranks **2nd** in England

**NORTH EAST** **13.6%**

**YORKSHIRE** **20.1%**

**NORTH WEST** **17.7%**

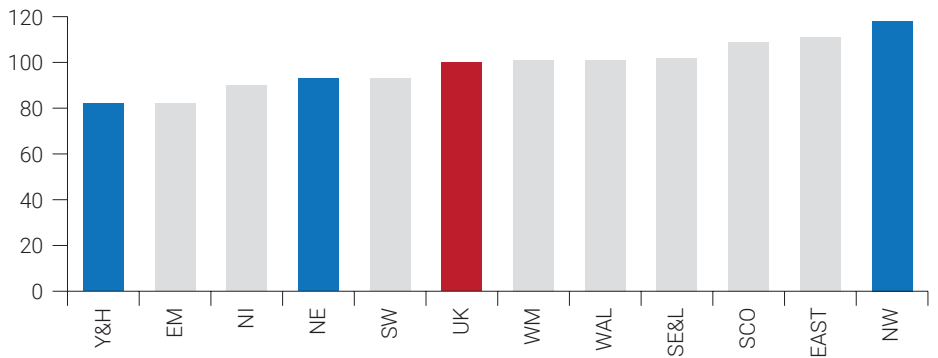
% GVA contribution of largest manufacturing subsector to sub-region manufacturing

**“THE FUNDING DISPARITY IS LARGE, AND THERE IS A SELF-FULFILLING PROPHECY ABOUT WHERE GETS FUNDED, GETS RESULTS”\***

### NORTHERN MANUFACTURERS' VIEWS ON WHAT THE GOVERNMENT'S PRIORITIES FOR LEVELLING UP SHOULD BE

- 1.** Prioritising the improvement of local road and rail transport connections
- 2.** Emphasis on local projects over national projects
- 3.** Improved digital connectivity in towns and rural areas

### Relative Productivity measured using GVA per hour



Source: Make UK analysis of ONS (2020)

### TOP FUTURE PRIORITIES FOR THE NORTH

	Immediate Challenges	Planned 12 month activity	Opportunities for manufacturing in the next decade
<b>#1</b>	A 'no deal' Brexit	Investing in people	Traditional sector consolidation/expansion (automotive, agri-food, electronics, basic metals etc.)
<b>#2</b>	Supply chain disruption	Investing in plant and machinery	Infrastructure projects including Construction of schools and hospitals
<b>#3</b>	Trade borders	Investing in IT	Clean energy

Source: Make UK / RSM survey, September 2020

**“WE CAN'T CONTINUE TO PUSH A NEW DIGITALISED MANUFACTURING SECTOR WITH SUCH WEAK DIGITAL INFRASTRUCTURE IN THE AREA”\***

\*Source: Make UK member consultations, October 2020

## 2. The regional view

The Northern economy, and the manufacturing sector that sits within it, faces unique challenges on the path to seeing its economy levelled-up in line with the Government's ambitions. As has been identified by manufacturing businesses in the North, the leading challenge to the future prosperity of the region is the future trading relationship with the EU. Whilst this is a pressing concern for the entire UK economy, it is particularly pertinent to those in the North, as 56.4% of all of the North's regional exports are bound for EU shores, which is significantly above the UK average of 48%.

Businesses are prioritising investment in the skills of their workforce over the next 12 months to ensure that they are equipped to respond to changing conditions as the industry endures mercurial demand conditions. As the English region with the lowest relative level of its population at degree level or above, a focus on skills is a critical component in the region's levelling up.

In order for the North to be able to successfully realise the UK's levelling up ambitions, a pro-upskilling environment that sees positive growth in the region's productive capacity, and ability to expand in high demand subsectors, will be paramount.

### Regional Economy Manufacturing Dependency

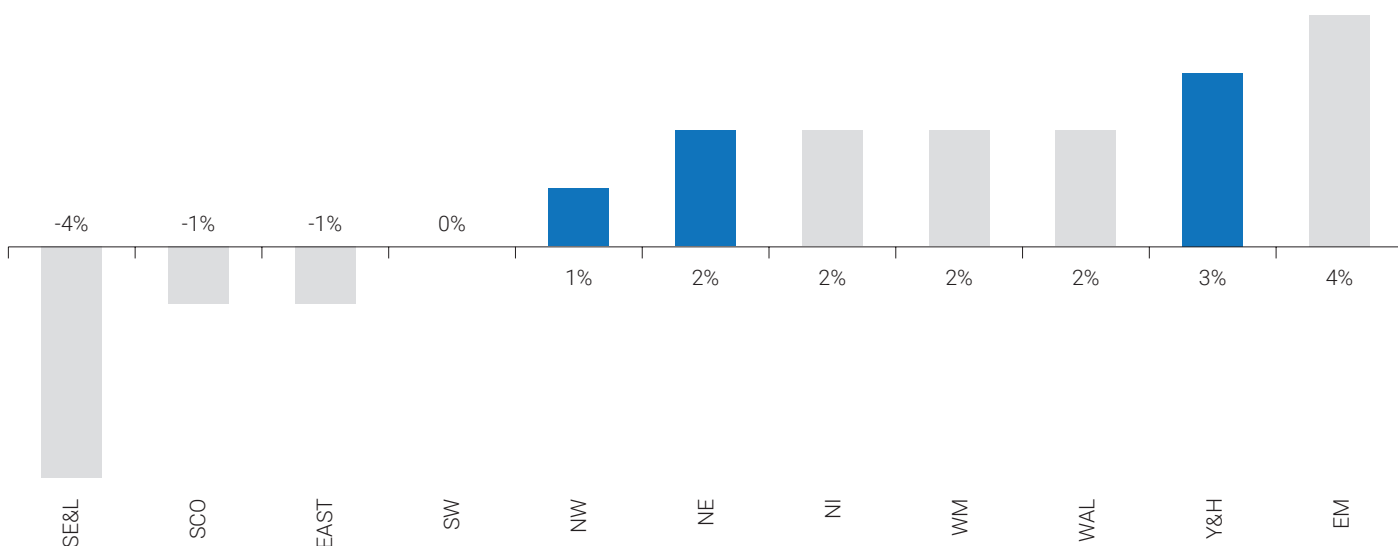


Chart represents the regional differences on local economy dependency on manufacturing. Dependency is defined as a region having a higher than average proportion of manufacturing jobs out of its total regional job pool. Figures represent distance from the UK=8% dependency baseline.

Source: Make UK analysis of ONS (2020)

# THE MIDLANDS AND EAST

## REGIONAL ECONOMY:

**£8,860**

public spending per head

**£289**

transport infrastructure spend per head

**£29,550**

average income

**26%** have degree-level Education or above

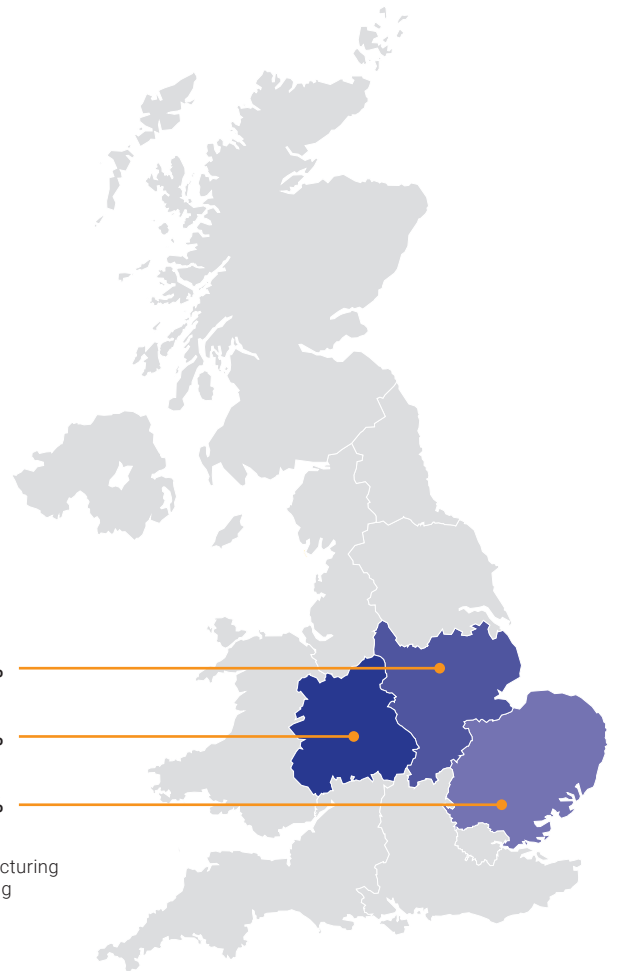
## MANUFACTURING ACTIVITY:

**829,000**

manufacturing jobs

The Midlands and East Region average manufacturing productivity ranks **1st** in England

**“WE NEED A JOINED UP INDUSTRIAL STRATEGY WHICH WORKS NATIONALLY, ACROSS DEPARTMENTS, AND DIFFERENT POLICY AREAS”\***



**EAST MIDLANDS** 22.9%

**WEST MIDLANDS** 36.4%

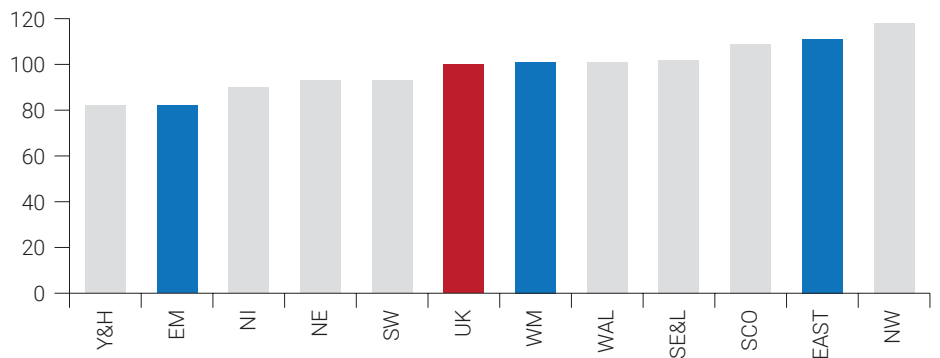
**EAST** 14.4%

% GVA contribution of largest manufacturing subsector to sub-region manufacturing

## MIDLANDS AND EAST MANUFACTURERS’ VIEWS ON WHAT THE GOVERNMENT’S PRIORITIES FOR LEVELLING UP SHOULD BE

- 1.** Emphasis on local projects over national projects
- 2.** Improved digital connectivity in towns and rural areas
- 3.** Prioritising the improvement of local road and rail transport connections

## Relative Productivity measured using GVA per hour



Source: Make UK analysis of ONS (2020)

## TOP FUTURE PRIORITIES FOR THE MIDLANDS AND EAST

	Immediate Challenges	Planned 12 month activity	Opportunities for manufacturing in the next decade
<b>#1</b>	A 'no deal' Brexit	Investing in people	Traditional sector consolidation/expansion (automotive, agri-food, electronics, basic metals etc.)
<b>#2</b>	Trade borders	Restructuring current operations	Clean energy
<b>#3</b>	Future national or regional lockdowns	Investing in IT	Autonomous robotics, vehicles and artificial intelligence

Source: Make UK / RSM survey, September 2020

**“THERE IS A NEED TO BALANCE SHORT TERM WINS WITH THE NECESSITY OF LONG-TERM INFRASTRUCTURE WHERE THERE IS GREATER RETURN ON INVESTMENT”\***

\*Source: Make UK member consultations, October 2020

## 2. The regional view

While the Midlands and East is the manufacturing powerhouse of the UK, it still faces hurdles, both past and present, to realising the region's full productive potential. The top reported challenge, as is homogenous with the industry across the UK, is the threat of a no deal Brexit. The Midlands' regional export percentage to the EU is exactly that of the UK average, at 48%.

The share of the regional population engaged in manufacturing activity in the Midlands and East is high relative to the rest of the UK, and this is particularly true of the East Midlands which has the highest proportion of its population in

the manufacturing workforce, at approximately 12%.

As has been identified as among the top opportunities for the region over the next decade, 4th industrial revolution technologies and a green production focus will be the areas of greatest reward for the region, whilst offering greater long term security of the region's manufacturing industry. To realise both this, and the aspiration of levelling up the region, manufacturers in the Midlands and East see themselves restructuring their businesses to position themselves to take advantage of the opportunities in the aforementioned fields of green and modern manufacturing.

### Regional Economy Manufacturing Dependency

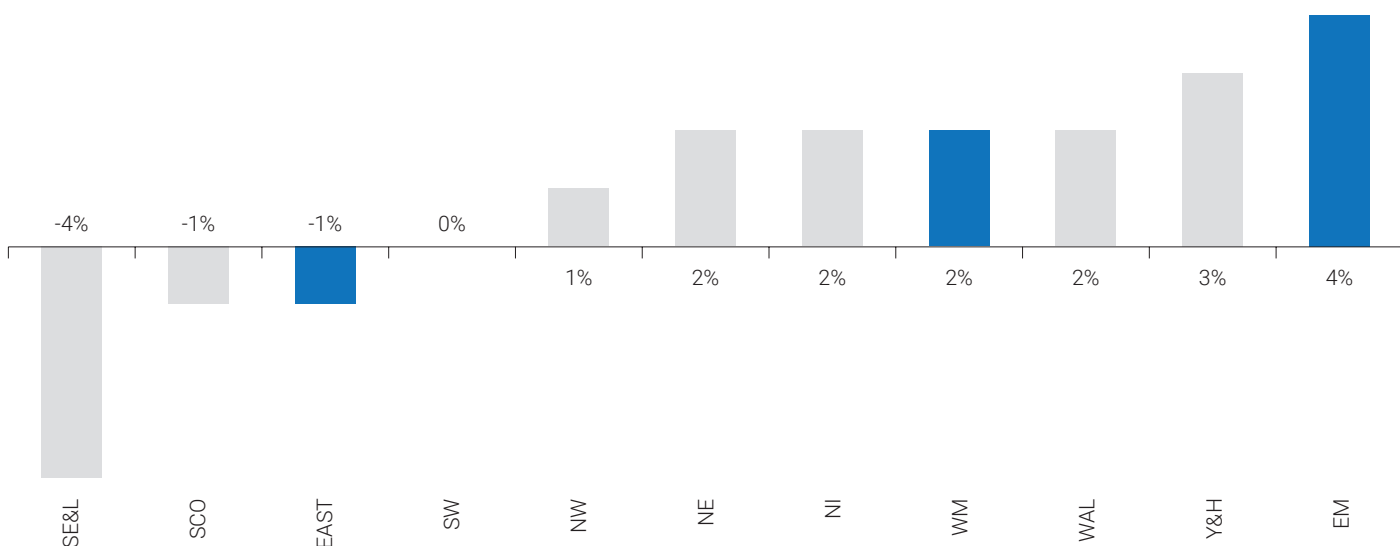


Chart represents the regional differences on local economy dependency on manufacturing. Dependency is defined as a region having a higher than average proportion of manufacturing jobs out of its total regional job pool. Figures represent distance from the UK=8% dependency baseline.

Source: Make UK analysis of ONS (2020)



# THE SOUTH

## REGIONAL ECONOMY:

**£9,312**

public spending per head

**£540**

transport infrastructure spend per head

**£33,576**

average income

**29%** have degree-level education or above

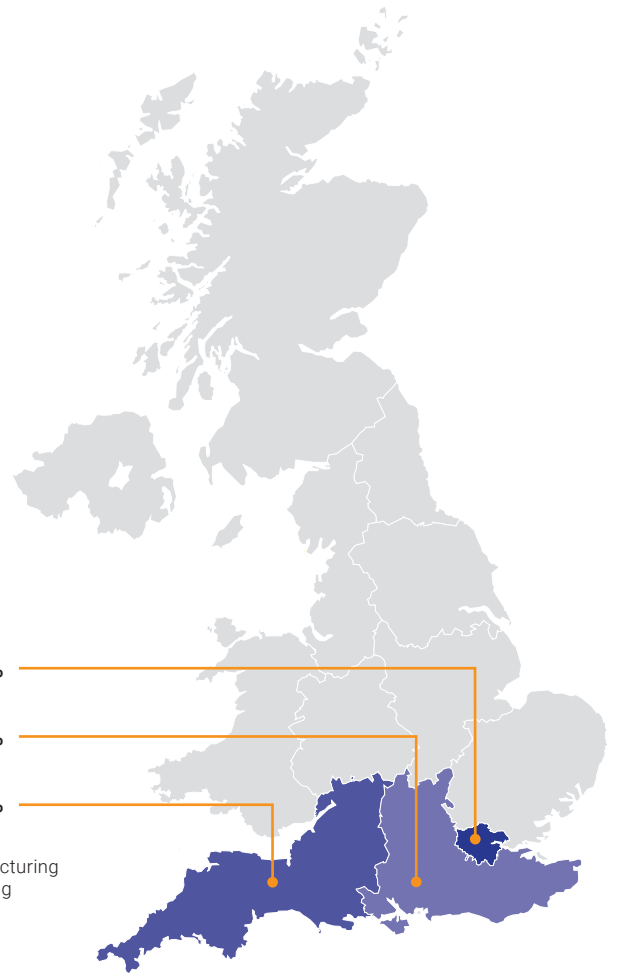
## MANUFACTURING ACTIVITY:

**689,000**

manufacturing jobs

South Region average manufacturing productivity ranks **3rd** in England

**“A KEY CHALLENGE IN THE SOUTH IS THE AVAILABILITY OF TALENT, AND THE AFFORDABILITY OF HOUSING”\***

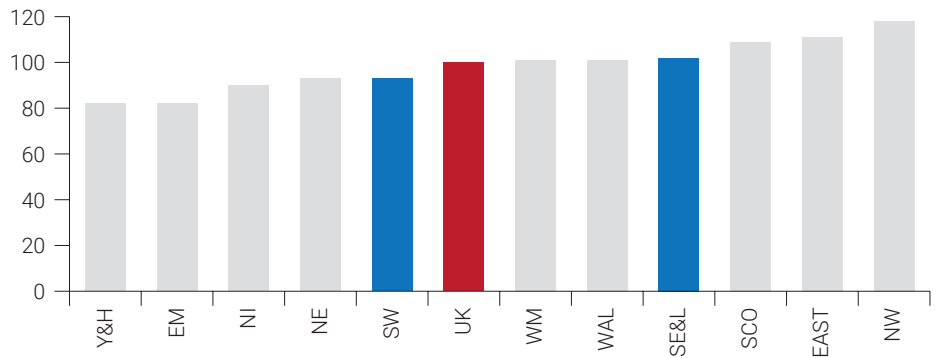


% GVA contribution of largest manufacturing subsector to sub-region manufacturing

## SOUTHERN MANUFACTURERS' VIEWS ON WHAT THE GOVERNMENT'S PRIORITIES FOR LEVELLING UP SHOULD BE

- 1.** Improved digital connectivity in towns and rural areas
- 2.** Prioritising the improvement of local road and rail transport connections
- 3.** Emphasis on local projects over national projects

## Relative Productivity measured using GVA per hour



Source: Make UK analysis of ONS (2020)

## TOP FUTURE PRIORITIES FOR THE SOUTH

	Immediate Challenges	Planned 12 month activity	Opportunities for manufacturing in the next decade
<b>#1</b>	Trade borders	Investing in people	Clean energy
<b>#2</b>	A 'no deal' Brexit	Investing in IT	Trading with new countries
<b>#3</b>	Future national or regional lockdowns	Investing in plant and machinery	Traditional sector consolidation/expansion (automotive, agri-food, electronics, basic metals etc.)

Source: Make UK / RSM survey, September 2020

**“MANUFACTURING IS BY DEFINITION CAPITAL INTENSE AND WE NEED TO GO BACK TO HAVING A LONG TERM CONSISTENT BUSINESS INVESTMENT SUPPORT SCHEME”\***

\*Source: Make UK member consultations, October 2020

## 2. The regional view

Differentiating the South's regional manufacturing economy from the other English regions is its top reported challenge of trade borders exterior to that of the EU. This logically follows, as the South has the lowest dependency on EU markets for its exports in the entire UK, with a below UK average of 45% of exported goods destined for EU shores. The greater importance in rest-of-world trading agreements for manufacturing exporters in the South means that the order of priorities here regarding trade negotiations differ somewhat to the rest of the country, and as such, the policy focus is to achieve levelling up here too.

This is also reflected in what Southern manufacturing firms

have identified as the best opportunities for manufacturing in the next decade, as 'trading with new countries' features as a top priority, with the South being the only region that has identified this expansionary trade view in its top 3 opportunities.

Clean energy features in all regions' top opportunities over the next decade, but for the South, it's the top priority. Transitioning both internal manufacturing processes to greener alternatives, and developing green-industry products for market is not only conducive to the nation's Industrial Strategy, but a focus on these technologies will afford a greater long term sustainable growth prospect.

### Regional Economy Manufacturing Dependency

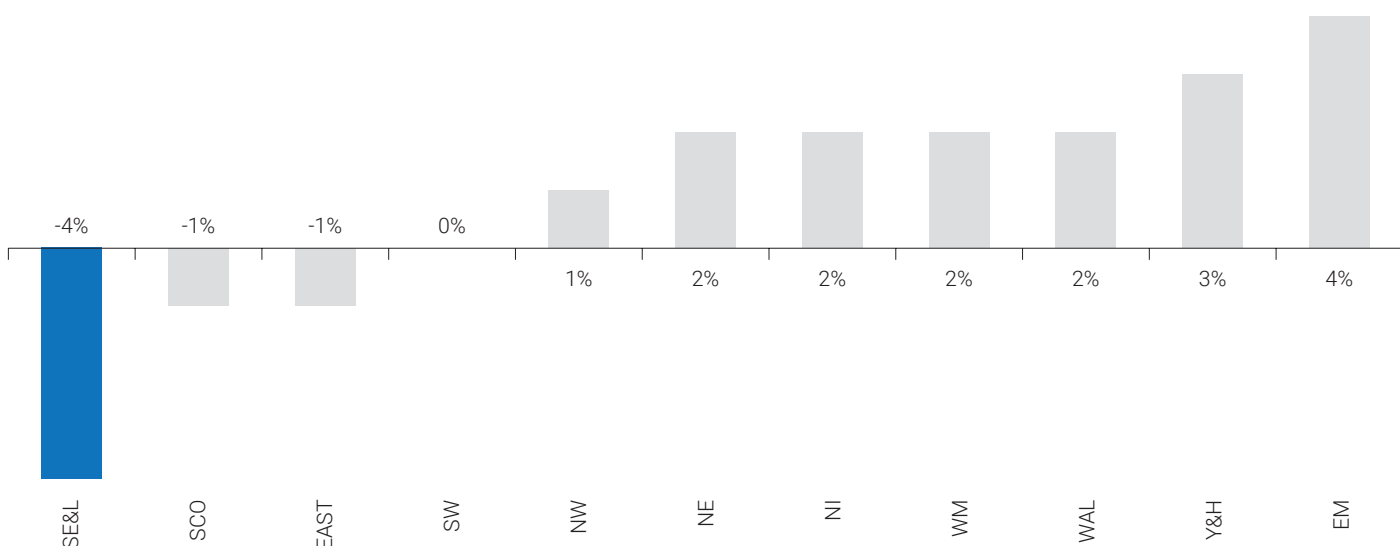


Chart represents the regional differences on local economy dependency on manufacturing. Dependency is defined as a region having a higher than average proportion of manufacturing jobs out of its total regional job pool. Figures represent distance from the UK=8% dependency baseline.

Source: Make UK analysis of ONS (2020)

# THE DEVOLVED ADMINISTRATIONS

(SCOTLAND, WALES, AND NORTHERN IRELAND)

**SCOTLAND** 🍴 28.1%

£11,247 public spending per head

193,000 manufacturing jobs

28% have degree-level education or above

**NORTHERN IRELAND** 🍴 27%

£11,590 public spending per head

95,000 manufacturing jobs

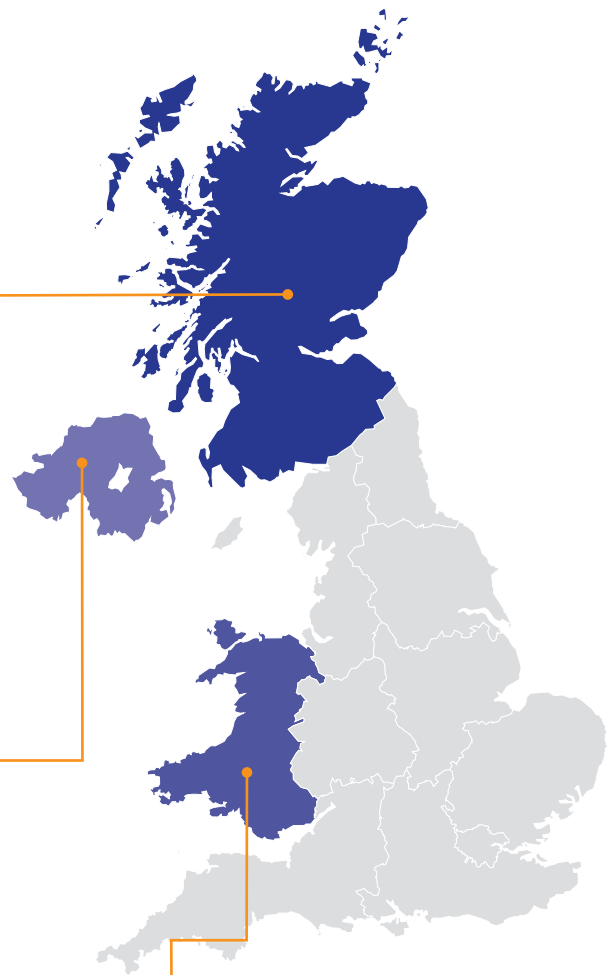
23.5% have degree-level education or above

**WALES** ✈️ 14.7%

£10,656 public spending per head

153,000 manufacturing jobs

26.2% have degree-level education or above



## NORTHERN IRELAND

Northern Ireland's biggest reported barrier to levelling up is the inadequate state of its digital connectivity in towns and rural areas. Digital connectivity stands as a limiting factor for Northern Ireland on firms' ability to modernise manufacturing processes and implement productivity enhancing technology – 1 in 5 manufacturers said they had not implemented any technology in their business in the last year. The biggest challenges to doing so was the upfront cost (64%) followed by the uncertainty around its return on investment (46%). But for many manufacturers in Northern Ireland the issue of levelling up is contingent on the outcome of Brexit. 65% of manufacturers in Northern Ireland said this was the most prevalent concern for them, with almost a third expecting a reduction in sales over the next 6 months, and many concerned about the impact it will have on the two main airports within the country. And finally, much like in England, the Apprenticeship Levy is hampering manufacturers' ability to train the next generation when skills shortages are a live issue. There continues to be a lack of transparency on how the money is accessed and invested.

## SCOTLAND

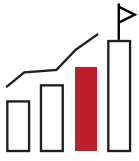
While Scotland has the second highest proportion of degree-holding residents in the UK, Scottish manufacturers still hold that up-skilling, particularly in the modern-manufacturing processes field, is crucial to allow manufacturers in the nation to raise their productivity, in turn progressing the adoption of new technology and green methods.

The Scottish export economy has a just above average dependence on the EU for its exports (48%), but it has the largest dependency on the Asian markets (24%) in the UK. Scottish manufacturers' ability to level-up, particularly within the largest manufacturing subsector, Food & Drink, will be closely aligned with the outcome of both incumbent and novel trading relationships with those countries in Asian markets.

## WALES

Wales generates 17% of its output from its manufacturing sector, significantly above the UK at 10%. As the Welsh manufacturing economy is so important to its overall regional economy, effective levelling up in this nation will demand bespoke focus on manufacturing. The export economy in Wales is also the most dependent on the EU (60% of all exports to EU). Policy that prioritises Wales' international competitiveness of its output will be a high priority to levelling up the nation with the UK, particularly given the immediate pressures from the impending uncertainty around Wales' future trading relationship with the EU.

Welsh manufacturers have indicated that the most immediate concern for their national industry is the threat of further lockdowns hampering their ability to keep output levels up in already troubling circumstances.



# 3. WHAT ARE THE STRATEGIC CHALLENGES TO LEVELLING UP?

Evidently there are immediate challenges that manufacturers need to overcome, but in doing so, it can be easy to overlook the strategic challenges that our sector, regions and economy face in the coming years. Being prepared for these will be crucial to the long-term success of our sector. The Government has a prime opportunity to address this in the upcoming refreshed Industrial Strategy.

## CHALLENGES

### Recognising and adapting to the increasingly fast-paced changing skills needs

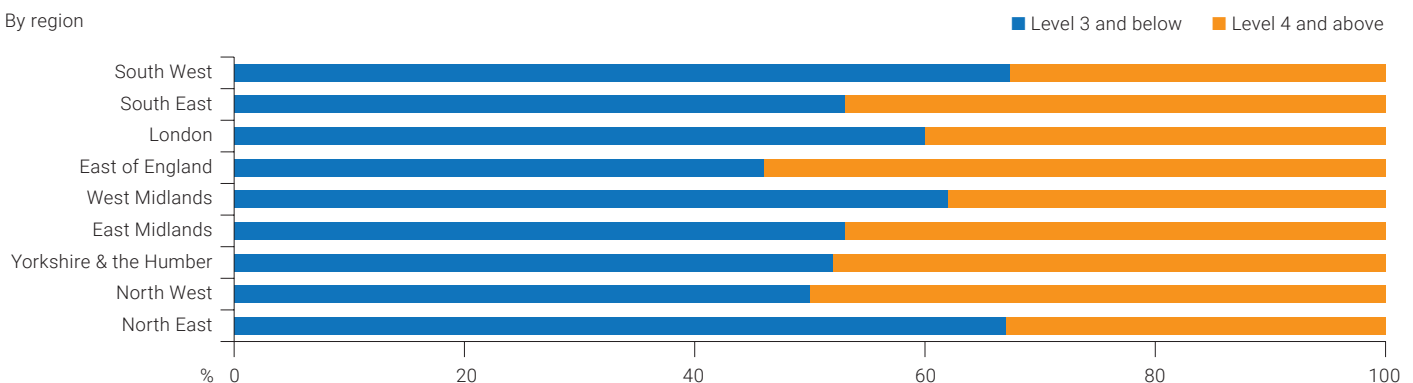
Whether it's responding to the Covid-19 pandemic, greater digitalisation or the need to create green jobs, we face a significant skills challenge in the UK. Manufacturers told us that creating jobs and filling the skills gap should be the most important factor when considering what infrastructure the country should invest in to support UK manufacturing (24%) - this view was most pronounced in Scotland (50%), Wales (36%) and the South East of England (32%).

For many manufacturers that means recruiting and retaining apprentices who are often the key talent pipeline into a business at the trades or technician level. Protecting current apprentices and providing the flexibility to recruit new apprentices through the apprenticeship levy should be front and centre to the Government's upcoming FE Reforms White Paper. With almost a third of manufacturers saying they have either paused or cancelled apprenticeships due to Covid-19 and many employers reporting significant numbers of apprentices being furloughed, many employers have not been using their apprenticeship levy funds as they had planned.

Government should therefore extend the lifetime of employer apprenticeship levy funds from 24 months to 36 months which would allow employers a further year to use their digital funds to support the training of apprentices and ensure that those apprentices who were furloughed do not miss out on the chance to complete their training due to expiration of the levy funds.

Manufacturers also told us that whilst the majority of their workforce job roles required over the next two years will be 'skilled trades and technicians' (76%), the level at which they are required to be at certainly varied. A fifth of manufacturers said, job roles at Levels 4 and 5 would be needed in the next two years – more than those at Level 3 (17%). However, the provision of Level 4 and 5 skills in England is relatively low compared to OECD counterparts, therefore the Government's upcoming FE White Paper must outline how the demand for these skills will be met, through an already stretched technical and vocational education system.

**Chart 2: Education level for the majority of the job roles in your manufacturing businesses in the next 2 years**



Source: Make UK / RSM survey, September 2020

### 3. What are the strategic challenges to levelling up?

One such way is to ensure the effective rollout of T Levels which began in September. The Government’s new technical education route for young people aged 16-19 launched in September with three of the new T Level pathways. Despite the Engineering and Manufacturing route not starting until September 2022, manufacturers will need to begin offering 3-month placements to prospective young people a year earlier. These can be vitally important pathways to bring new talent into businesses, without the long-term commitment of an apprenticeship. In addition, as manufacturers think beyond traditional Level 3 job roles, T Levels can be a stepping stone to further training at Level 4 and 5.

Even though over half (56%) of employers were somewhat confident they could find the people they need to fill their skills

gap in the next 12 months, over a third were not confident. This places greater emphasis on the need to keep existing employees and retain skills.

The National Skills Taskforce Make UK has called for should first be set up to address the skills challenge posed by Covid-19. It can take a strategic, collaborative approach to understanding and providing recommendations to the skills challenges, this includes a coordinated strategy for pre-16 education, post-16 skills, and adult education and lifelong learning. The Taskforce will provide the much needed strategic vision for our rapidly changing skills agenda, as well as stability to ensure that we can overcome the growing skills challenge we face, not just in manufacturing, but across our economy.

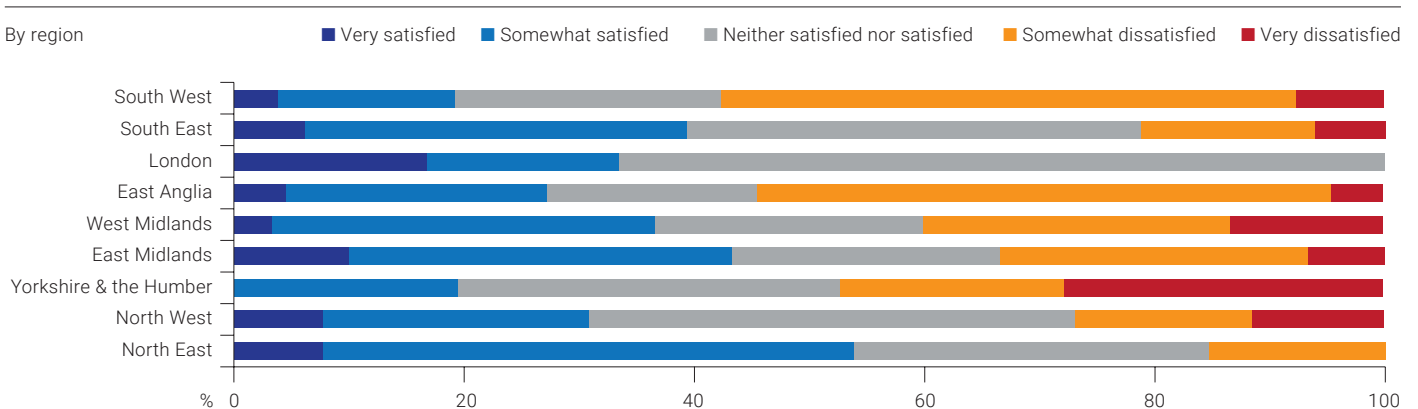
### Tackling the long-standing issue of poor local transport

In addition to the limited availability of a skilled workforce (64%), 26% of manufacturers reported the poor state of local transport as one of the two biggest challenges in their region. Much of our transport infrastructure system is built on radial corridors, driven by the mobility of people in and out of cities. However as the pandemic has changed working behaviours, the issue of cross-radial mobility is once again a key concern. Travelling from east to west can often take twice as long as travelling south to north. Manufacturers therefore see prioritising infrastructure investment in local transport networks e.g. regional rail, and local buses (42%) as a means to support the UK manufacturing sector and the revival of regional economies.

Addressing the real concern of poor local transport means manufacturers must be given a greater say in how to resolve it.

The upcoming English Devolution White Paper is an opportunity for greater devolution giving businesses and industry the power to be able to influence change and ensure it can support the manufacturing sector. Genuine regionalism, with local government, industry and businesses working together can ensure that long-standing issues such as transport, especially when moving east to west, can be addressed appropriately but also quickly. The UK government infrastructure spending as a proportion of GDP was 2.3% of all government spending in 2017 – this is below the level in many European countries, including the Netherlands (3.1%)<sup>3</sup>. Manufacturers want to see local Government prioritise the devolution of transport through the Government’s levelling up agenda. Transport investment powers will boost productivity, deliver financial returns and support the rebalancing of regions across the UK.

**Chart 3: Extent to which manufacturers are satisfied with local transport in their region**



Source: Make UK / RSM survey, September 2020

<sup>3</sup>House of Commons, Infrastructure policies and investment briefing paper, July 2020

### 3. What are the strategic challenges to levelling up?

#### Case study – Strengthening Regional Manufacturing through connected places

Research from Policy Connect on how to 'Level Up Industry' found that the manufacturing sector accounts for around 10% of the UK's economy; up to 23% when induced spending in support and services is included. The report set out that the sector is a key driver of productivity and remains a major component of the economy outside the core cities of the UK. It concluded that if we are to revitalise the prominence and role of our local economies in England, it needs to unleash the power of localities and regions, by supporting stronger cooperation between LEP areas to grow UK supply chains, coupled with targeting the increasing R&D spend to maximise return on investment in all regions.

The report found that manufacturers in both the Midlands and Yorkshire highlighted low connectivity and poor public transport as key drivers adversely impacting their business. Substandard connectivity and irregularity of services were identified as key challenges and it was evident that more investment in infrastructure in the regions was required. For example, transport in the North requires considerable improvement yet currently public spending per person on transport in the North is less than half that of the South East. Whilst the Industrial Strategy Grand Challenges had identified mobility as a barrier, the Policy Connect report identified the need for improvements in a greater number of rural towns and cities to cultivate a thriving business environment. It recommended that to drive action England should adopt a national productivity target for industrial growth, like the Net-Zero target.

Source: Level Up Industry – Strengthening Local Manufacturing, Manufacturing Commission, 2020

#### A lack of and need for a coordinated, regional approach to long-standing challenges

Our research also found that there was a growing need for a more coordinated, regional approach to these long-standing issues. Many manufacturers have yet to reap the benefits of the first Industrial Strategy so are naturally cautious as to what a refresh would achieve. However, there is evidence that even though there are clear regional disparities, the common message amongst manufacturers is that a more coordinated, strategic view can help to revitalise local economies.

Putting manufacturing at the heart of those plans can support the wider Government ambitions in creating well paid jobs, meeting our net zero target, and boosting productivity. But Government must recognise, as this report has shown, regional demands are vastly different, which a refreshed national Industrial Strategy may not be able to fully appreciate. Government should instead explore how regional Industrial Strategies can be developed in conjunction with industry to deliver the change needed.

**“DEVELOPMENT OF AN INDUSTRIAL OR MANUFACTURING STRATEGY FOR THE AREA”**

**“PLACING AN INDUSTRIALIST AS PART OF THE GOVERNMENT'S CABINET IN ALL NATIONS”**

**“FOCUS ON DEVELOPING MANUFACTURING IN ALL AREAS OF UK”**

Source: Make UK members response on what Government's priorities for levelling up should be (open box)

# OPPORTUNITIES

## Learning best practice from the National Infrastructure Commission

The creation of the National Infrastructure Commission in 2017 signalled a key shift in the way in which future decisions on infrastructure spend, assessments on quality, and how the success of projects are measured. As an executive agency of HM Treasury, the National Infrastructure Commission's purpose is to:

- provide impartial expert advice and make independent recommendations to Government on economic infrastructure;
- carry out a national infrastructure assessment (NIA) once in every Parliament, setting out the NIC's assessment of long-term infrastructure needs with recommendations to the Government; and
- an annual monitoring report, taking stock of the Government's progress in areas where it has committed to taking forward the recommendations of the commission's new infrastructure bank to provide new funding for capital projects across the country.

But progress remains slow on acting on the recommendations put forward from the commission. Government have yet to publish their National Infrastructure Strategy outlining how they plan to take forward the recommendations. Given the pressing need for a clear strategy to take forward these recommendations as we recover from the Covid-19 pandemic,

Government should make clear how and when it will deliver this as a priority. Timely and effective critique is important to ensuring that the investment we make, whether in infrastructure or skills, is in the right places and delivering the long-term growth required to revitalise our local economies.

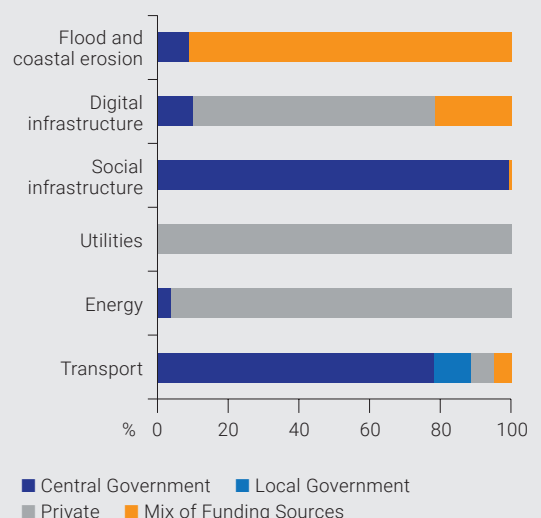
**“...THE COMMISSION WAS SET UP TO ADDRESS THE LACK OF A LONG TERM INFRASTRUCTURE STRATEGY, SILOED DECISION MAKING IN INFRASTRUCTURE SECTORS, FRAGILE POLITICAL CONSENSUS AND SHORT TERMISM. THE COMMISSION HAS ADDRESSED THESE ISSUES BY TAKING A LONG TERM, CROSS-SECTORAL APPROACH, WITH IN-DEPTH ANALYSIS AND WIDE CONSULTATION<sup>4</sup>”**

### The UK Infrastructure finance market differs from global competitors

The UK's infrastructure market is heavily geared towards private investment in comparison to other developed countries. From digital communications, energy and water, a significant proportion of infrastructure investment is predominately private. In countries such as Germany or Japan, investment is generally mixed between public and private. Whilst drawing on predominately private investment to fund infrastructure projects shows why the UK is a great place to invest, as the National Infrastructure Commission has flagged, “...there is a potential for misalignment between investors' risk appetite and the potential long-term policy benefit of private capital being attracted into new and complex infrastructure”. A better mix of public and private investment may help to better align the needs of industry with the ambition of government.

Looking at the funding mix within particular areas of infrastructure, we can see that a large focus for central government is the investment in transport. However as our research shows, currently this takes the form of projects often linking London to other cities across the UK. What manufacturers want to see is greater transport investment between smaller cities, and towns, in particular in the North East, North West and Yorkshire and Humber.

**Chart 4: Funding mix of UK infrastructure from 2018/19 to 2020/21 by sector**



<sup>4</sup>National Infrastructure Assessment, National Infrastructure Commission, 2018

### 3. What are the strategic challenges to levelling up?

## Reviving the good work through the Midlands Engine and Northern Powerhouse

The Midlands Engine and Northern Powerhouse are prominent examples of local, sub-national and regional stakeholders, harnessing the power of UK manufacturing to collaborate and boost economic growth in their respective areas. Although both groups are less formal networks, by having partners who have a clear understanding of local and regional needs, they can collectively deliver the change required. With many manufacturers at the heart of this partnership, the network crucially understands the short and long-term infrastructure and skills challenge that will impact regions across the UK as we transition to a digital, green and global economy post-Covid-19. Success to date across the infrastructure and skills policy areas include:

- £3.5 billion to create space for 736 more passenger trains every day, boosting east-west connections from more than 60 stations through the Midlands Engine Rail programme.

- Establishing the National College for Nuclear to help train more people in the skills needed to work in the growing nuclear sector in Cumbria and Somerset.
- £6m to create two new 'Maths Hubs' in Central Lancashire and Cheshire to ensure more teachers in the area have the knowledge and skills to provide high quality maths teaching.

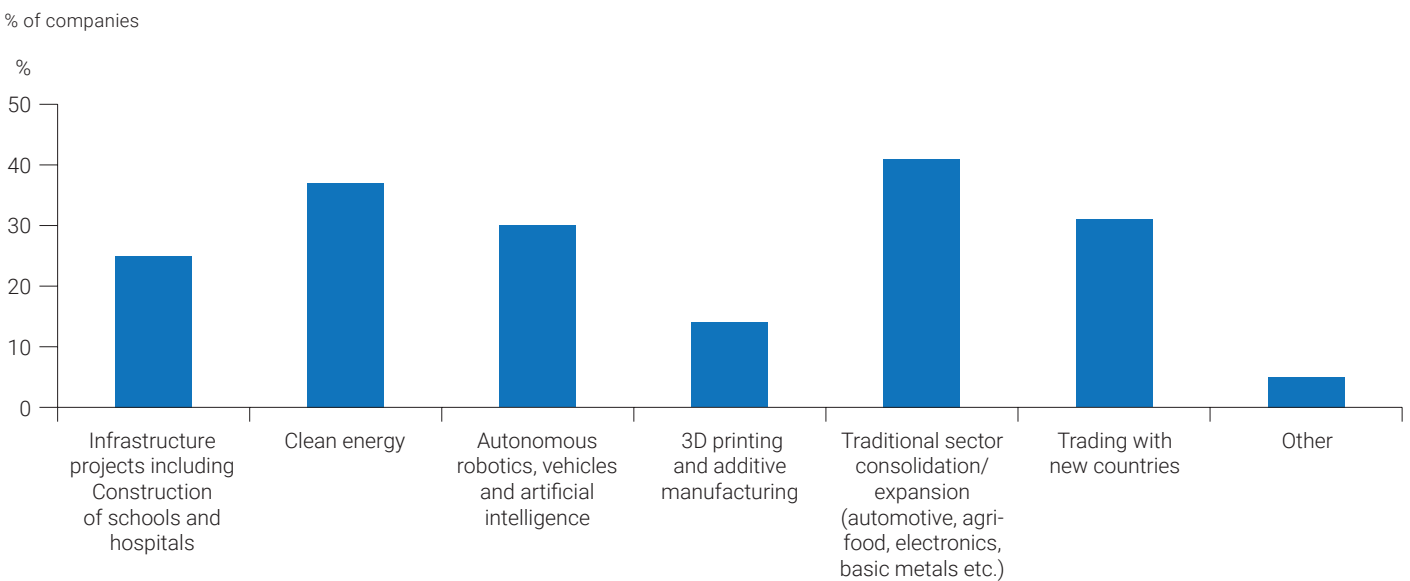
The partnership of stakeholders from across different areas, including education, transport and government, also means the voice of those regions is amplified. Our survey found that 90% of manufacturers felt business organisations, LEPs, growth hubs and Trade Associations were best placed to understand the needs of business. The Government should learn lessons from the success of these projects and work with industry to devolve greater power to sub-national and local regions through its English Devolution White Paper<sup>5</sup>.

## Capitalising on new market opportunities

Despite the challenges that manufacturers face, many see a range of opportunities that it would be beneficial to take advantage of for their businesses over the next decade. From adopting clean energy options, using greater technology, and exploring new markets, manufacturers are building a digital,

global and green future. Being agile and embracing the rapid change our economy faces in the coming decade, means manufacturers can place themselves at the heart of revived regions and communities, and as drivers of regional economic growth.

**Chart 5: Biggest new market opportunities for manufacturers over the next decade**



Source: Make UK / RSM survey, September 2020

<sup>5</sup>Government announced on 29th September that plan for further English devolution through its English Devolution White Paper have been shelved "...until next year".



### 3. What are the strategic challenges to levelling up?

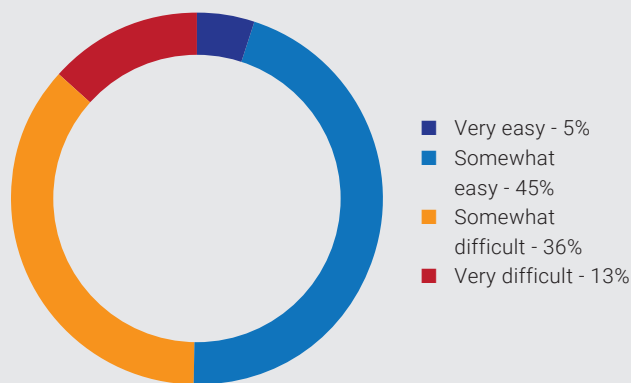
#### Accessing finance and financial support remains a challenge

Even though manufacturers are keen to take advantage of some of the new opportunities they see over the coming decade, there remain some challenges. Adopting greater digitalisation, trading with new countries, and creating green jobs will all require significant upfront investment. But with long-term cash flow the top concern for over a fifth of manufacturers (22%), access to finance to support this upfront investment is vital.

Our survey found that almost half (49%) of manufacturers experienced difficulty in accessing financial support in their region. Whether it's in the devolved nations or across different regions in England, the message remained the same. Making it easier to access this finance can unlock the potential for many manufacturers and support regional economic development.

**Chart 6: How easy it is for manufacturers to access financial support**

% of companies



Source: Make UK / RSM survey, September 2020





# 4. HOW CAN MANUFACTURING SUPPORT THE REVIVAL OF LOCAL ECONOMIES?

## Capitalising on the resilience shown by manufacturers through Covid-19

The Covid-19 pandemic resulted in the UK manufacturing sector facing some of its stiffest challenges in generations. But manufacturers proved to be natural problem-solvers, injecting fresh ideas to solve some of our biggest challenges, at speed. Despite the tough trading conditions, the overwhelming majority (94%) of manufacturers remained operational at the peak of the crisis, and hundreds of firms became #ManufacturingHeroes, repurposing their factories and supply chains to produce vital medicines, machinery, utensils and personal protective equipment (PPE) for our front-line staff, and supporting critical parts of our economy and society with vital food, drink and other necessities<sup>6,7</sup>.

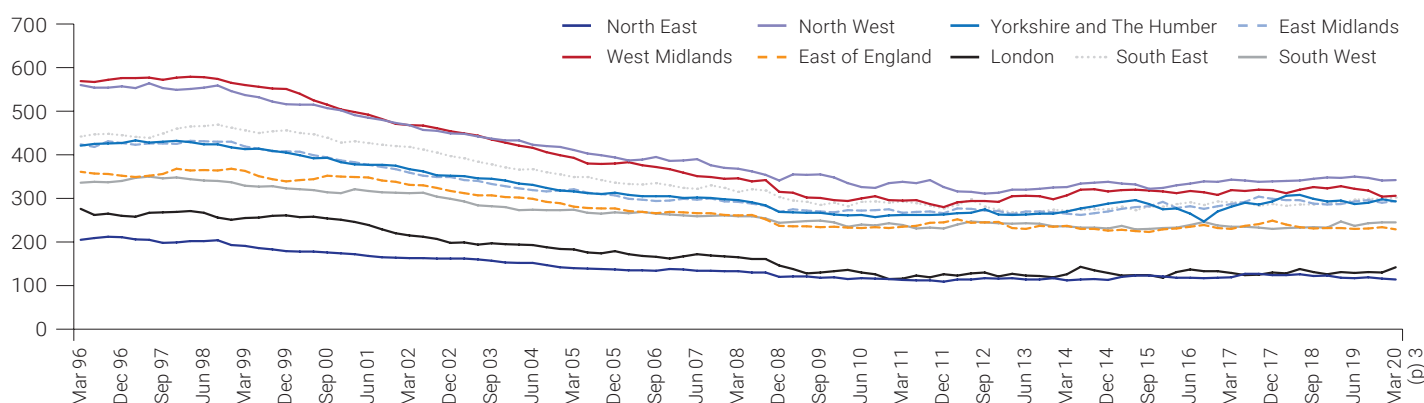
Manufacturers have also led the way in implementing and demonstrating best practice for our return to work with 9 out of 10 manufacturers remaining operational and implementing social distancing plans for workforces long before the masses. This is why it is crucial that as we look to reviving local economies and communities, we put our strong domestic industrial base at its heart. The 'new normal' means manufacturers must adapt, evolve and innovate in the years ahead, learning lessons from how they successfully did so during the pandemic, and applying this to the first. And for Government, it means recognising that sectors such as manufacturing are essential to boosting productivity, powering economic growth and delivering shared opportunities across all regions of the UK - this is vital if we are to effectively level up.

Government has the chance to achieve this through its refreshed Industrial Strategy. The manufacturing sector can play an important role as we look to rebuild a digital, global and green economy. With green energy options (45%) and local transport networks (42%) identified by manufacturers as the areas to prioritise for infrastructure spend to support UK manufacturing, Government has an opportunity through the Industrial Strategy to work closer with providers, employers and stakeholders as well as local Government to effectively deliver this regionally, and quickly.

## Creating the jobs and providing the training needed for a digital, and green future

Since 1996, the size of the manufacturing workforce across England has been shrinking year on year. However since 2013, we have begun to see clusters form, with particular regions seeing an increase in the size of its manufacturing workforce. The success of initiatives such as Made Smarter, as well as the strong informal networks such as the Midlands Engine have meant we have seen a revival of the sector – particularly in the West Midlands, North West and South East. With the UK manufacturing sector accounting for £191 billion worth of output, 53% of the UK's total exports, and paying average wages 13% higher than the national average, the sector is a crucial driver of local and national economic growth<sup>8</sup>. This underlines the need to place greater emphasis on the role the manufacturing sector plays in creating good quality employment in different regions.

**Chart 7: Manufacturing workforce by region ('000)**



<sup>6</sup>Make UK, Manufacturing Monitor, May 2020

<sup>7</sup>Make UK digital campaign, Manufacturing Heroes: <https://bit.ly/3imH9fp>

<sup>8</sup>Make UK / Santander, Manufacturing the Facts, 2020

Source: Make UK analysis of ONS: Workforce jobs by region & industry, 1996-2020

#### 4. How can manufacturing support the revival of local economies?

### Manufacturers are making a digital future reality

Digital Infrastructure supports the economic, cultural and social infrastructures to develop places where people want to live, work and visit. Over the next few decades digital networks will be the key element driving economic growth and productivity. Connectivity drives productivity and innovation, and is the physical underpinning of a digitally connected world. As we recover from the pandemic, this has never been so important with 41% of manufacturers saying the Government should prioritise digital connectivity in towns and rural areas – this was particularly acute in the East of England, and South East, as well as the three devolved nations.

The digital Infrastructure sector contributed £33bn to the UK economy in 2017 (1.8% of GVA), up by a third since 2010.<sup>9</sup> A core contributor to connected growth in local areas, and a direct benefit from improved digital connectivity, includes large increases in download speeds. For businesses this is crucial to more productive economic activity - that is why 69% of manufacturers said they plan on investing in their IT infrastructure in the next 12 months<sup>10</sup>.

It is estimated that subsidising upgraded infrastructure in certain postcodes can increase turnover by an estimated £9bn per year.<sup>11</sup> As Make UK's Bouncing Back Smarter: Innovation Monitor found, 85% of manufacturers are more familiar with Industrial Digital Technologies and 71% plan to increase spending on technologies such as AI, augmented reality and Internet of Things in the next two years<sup>12</sup>. The Government launched its digital strategy in 2017 with a big push to complete the rollout of 4G and superfast broadband by 2020. In addition, it pledged £1 billion to accelerate the development and uptake of next generation digital infrastructure - including full fibre and 5G. Many manufacturers are located in rural areas, where connectivity can be severely limited, directly impacting their ability to do business. According to Make UK's Innovation Monitor, businesses are not aware of different government schemes, especially in rural areas, for example, the scheme Gigabit - Broadband Voucher is unknown to 83% of manufacturers. 5G can be a tool to boost productivity and support industrial sectors, including manufacturing. Therefore, the Government should speed up the national rollout of 5G and ultrafast broadband to ensure all manufacturers are able to grasp the opportunities and economic benefits of next generation 5G technology.

### Case study – Cornwall is reaching for the stars

The UK builds a large proportion of the world's small satellites yet has no launch capability. It is estimated that over 13,000 satellites are required to be launched by 2030. Cornwall aims capitalise on this future demand by delivering the UK's first horizontal launch facility for satellites, ready to be used by Virgin Orbit in 2022 for the UK's first orbital launch.

Cornwall is capitalising on two existing assets. Newquay Airport has one of the longest runways in the country and its coastal location enables the rockets to fire over the ocean, far away from land. Goonhilly Earth Station was of the first sites globally to pioneer satellite transmission and continues to provide the communication infrastructure for modern satellites.

By combining and maximising the potential of these two assets, Spaceport Cornwall is forecasting 150 direct jobs on-site and an additional 240 in the local supply chain, placing the region as a leader in the UK's space industry.

### A strong industrial base supports the wider community as well as other industries

The UK manufacturing sector also has an important role in supporting wider regional communities as well as other industries. Despite being a mature sector, the sector has adapted and evolved over the years, and continues to directly employ 2.7 million people. The sector also has a huge positive multiplier impact on wider industries too - with every one job in manufacturing, supporting a further 1.4 jobs across other industries<sup>13</sup>. It is also as a key driver of productivity – UK manufacturing productivity was 12% higher than the UK average - driving regional economic growth. Furthermore, manufacturing cuts across a range of different industries, from logistics, to creative industries, to hospitality. Harnessing the power of local and regional manufacturers can support the fruition of new, alternative industries within an area.

<sup>9</sup>DCMS, Sector Economic Estimates GVA, 2017

<sup>10</sup>Make / RSM survey, September 2020

<sup>11</sup>Evaluation of the Economic Impact and Public Value of the Superfast Broadband Programme, 2018

<sup>12</sup>Make UK / Infor, Bouncing Back Smarter: Innovation Monitor, October 2020

<sup>13</sup>Make UK analysis of ONS employment multipliers and effects data, 2015

Note - This analysis only considers full time employment, therefore the effects on the inclusion for other forms of employment e.g. part time employment, will result in the multiplier effect being larger.

#### 4. How can manufacturing support the revival of local economies?

### Case study – London's start-up manufacturing scene

Today there are some 130,000 people employed in the manufacturing sector within London – the second smallest number across all regions in England. Yet the region and its thriving manufacturing sector produces output worth £8.2bn to the UK economy. From food and drink to clothing, the London manufacturing scene is a hotspot for small, and micro businesses. In comparison to other regions, London's access to a huge pool of talent, good digital connectivity, and physical locality gives it a perfect platform for manufacturers to setup their businesses.

On Old Kent Road you will find over 100 thriving businesses, from melt filtration machine manufacturers, to garment sewers, to furniture makers. The businesses not only produce goods shipped across the world, they also sustain a thriving culture and event related production industry in the area – supporting around 470 jobs in 24 businesses. Kaymet is one such business which produces anodised aluminium trays, trolleys and electric table hotplates which are sold in over 200 shops, in about 40 countries. The company has more than tripled production since 2013, employing 10 people, and remain a stalwart example of why manufacturing is so important to London and local boroughs.

However as land becomes a scarce resource, growing and expanding the manufacturing sector in London remains a challenge. The accelerating demand for housing has meant what was once industrial land is rapidly being sold to developers. Whilst London doesn't employ the same numbers of people in the manufacturing sector, it has fast become a breeding ground for innovative, new manufacturing businesses. Protecting, and supporting these businesses to grow as we look to revive our local industrial bases will be imperative as ever.

Source: Old Kent Road Manufacturers, 2018

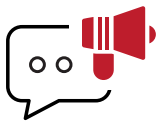
### Case study – Supporting education and building skills in the Midlands

David Nieper is a fashion house and family run business, established in 1961 in the Midlands. The company's biggest risk is a lack of skilled dressmakers in the UK.

Recognising this risk, the company set up an educational trust, culminating in the £15m David Napier Academy. The Academy drives an educational model where employers work together with schools to provide applied learning within the curriculum and give children a route into apprenticeships and careers.

This approach is already seeing benefits, as well as raising the standard of local education, the company has directly trained and employed 49 dressmakers to date.





## 5. RECOMMENDATIONS AND CALLS TO ACTION

Reviving local economies and levelling up can be achieved by putting the manufacturing sector back at the heart of local communities. As this report demonstrates, reenergising our national Industrial Strategy and harnessing the power of regional stakeholders to make the whole greater than the sum of its parts, requires quick, targeted action from Government, manufacturers and stakeholders.



### Recommendations to Government

**Government should make digital connectivity its number one priority for levelling up.**

This means significantly speeding up the national rollout of 5G and ultrafast broadband across the UK. As part of the refreshed Industrial Strategy Government should set out plans to implement a national rollout of 5G and ultrafast broadband within the next 2 years. Our survey found that 41% of manufacturers wanted improved digital connectivity in towns and rural areas. The rapid digitisation and changing working behaviours has only accelerated the need for better digital connectivity across the manufacturing sector.

**Government's refreshed Industrial Strategy should focus on regional industrial strategies to improve local road and transport connections.**

Our research found that manufacturers want to see a greater emphasis on local infrastructure projects over national ones (40%), this means prioritising investment into local road and rail transport connections to support the mobility of people within different regions. The Government can achieve this by having a national vision outlined through its refreshed national Industrial Strategy, supported by regional industrial strategies that focus on bringing together expertise across industry, stakeholders and local government to set out a clear plan for reviving regional economies, and tackling long-standing regional issues.

**The Government's upcoming FE White Paper must outline how the demand for Level 4 and 5 skills will be met.**

We are beginning to see the skill level required in manufacturing shifting towards higher-level skills, with 21% of manufacturers reporting that the majority of their jobs roles in the next two years will be at Level 4 and 5.

However the provision of Level 4 and 5 skills remains low. With an already stretched technical and vocational education system, Government needs to quickly set out how higher level technical qualifications will be delivered effectively through FE and HE provision.



### Calls to action to manufacturers

**Manufacturers should take this opportunity to work more closely with their local and regional partners,** including LEPs and Local Authorities to ensure the voice of manufacturing is heard. It is also an opportunity to ensure that those with the power to be able to understand the issues that matter the most to UK manufacturers, drive through the necessary change to make a difference.



### Recommendations to regional and local stakeholders

**Regional and local stakeholders should be working in partnership with manufacturers as they begin to develop and evolve their regional industrial strategies.**

Our survey found that almost a third of manufacturers (29%) wanted greater business support through local networks and peer-to-peer groups to support their business. These networks are vital to sharing best practice, understanding local issues, and attaining a consensus on how to tackle long-standing challenges.

# VIEWPOINT



We are delighted to partner with Make UK in producing this report as we are passionate about the UK harnessing the economic potential of regional middle market manufacturing businesses. The priorities voiced by manufacturers in the survey replicate the views of many of our clients who are drawn from across different regions. There is no doubt that there are differences in the opportunities, productivity, and connectivity across the UK – it is one thing for Government to acknowledge this but the focus needs to be on meaningful and tangible action.

The uneven impact of coronavirus across sub-sectors within the manufacturing industry has widened existing regional disparities. And as our report shows, 'levelling up' means different things to different regions. Only bespoke support that demonstrates an understanding of these regional differences will truly make a national impact.

### Transport links

The importance of transport links to manufacturers remains despite the COVID-19 disruption. Over the last year, huge swathes of the working population have adapted to working from home, but for many working in manufacturing, particularly those on production lines, this simply isn't possible. The migration to homeworking will ease the pressure on existing infrastructure, but for many manufacturers, the existing infrastructure simply isn't good enough. There is no doubt that regional transport links need investment, particularly East to West, but will this be a priority for Government once the pandemic has been tackled?

### Skills and digital connectivity

So many manufacturers have confirmed their plans to invest in skills over the next 12 months which is a hugely positive message. Manufacturers know that investing in people is probably the one safe bet for improving productivity through adopting new and emerging technologies.

When it comes to technology, we have all experienced the importance of strong digital connection over the past year in some way and many of our clients are in the process of accelerating their investment in technology. Many are considering cloud-based ERP systems and software system integrations that improve supply chain resilience with both Brexit and the threat of more local lockdowns looming large. In our view, government should focus on enabling SMEs

to more rapidly adapt and harness the benefits of the fourth industrial revolution.

### Net Zero

It is reassuring to see that addressing climate change is seen as a priority by the industry. Both Brexit and coronavirus have been distractions over recent years from what threatens to be a far greater global issue. Many are keen to focus on achieving the Government's net zero by 2050 target and rightly so. Government should continue to support and measure manufacturers in driving towards this target and manufacturers need to keep abreast of the grants and other finance available.

### International trade

Whilst many manufacturers are concerned about Brexit, there should also be focus on the future of international trade in global terms. The protectionist policies being adopted by other countries and the trade war between the US and China are likely to impact upon global trade whether with the EU or further afield.

### Conclusion

An industrial strategy that takes regional differences into consideration is the only the way that any form of 'levelling up' will be achieved. Excellent communication between stakeholders and collaboration between the industry and government are critical to fully harnessing the potential of the manufacturing sector.



**Mike Thornton,**  
Partner, Head of Manufacturing,  
RSM

# ACKNOWLEDGEMENTS

In researching and writing this report we engaged with manufacturers, local stakeholders and parliamentary groups across the country. We are thankful for their time, effort and ideas shared with us in carrying out this work.

Alan Whittaker, RTC North

Andrea Hough, AT Engine Controls Ltd

Andrew Gates, Sheffield LEP

Andrew Wright, A W Hainsworth

Andy Walker, Lancashire County Council

Angus Watson, RNLI Manufacturing

Ben Carpenter Merritt, Policy Connect and All-Party Parliamentary Manufacturing Group

Bill Esterson MP, Shadow Minister for International Trade

Chris Emslie, Fibrecore

Chris McDonald, MPI

David Fletcher, Hampshire County Council

David Seall, CP Cases

Dr Alan Whitehead MP, Shadow Minister for Energy and the Green New Deal

Duncan Newman, Bournemouth & Poole District Council

Jason Muller, Lush Cosmetics

Jon Constable, TP Group

Laura McBrown, G&B Electronics

Malcolm Knott, ITS Ltd

Mark Brearley, Kaymet

Melissa Conlon, North West AMRC

Nick Bion, Robert Bion & Co

Nik Hamilton, Sheffield City Council - Invest Sheffield

Paul Sullivan, British Business Bank

Phil Astley, ExMesh

Philip Heyworth, JD Engineering

Philip Pratley, Leonardo

Phillipa Glover, CNC Robotics

Rachel Dowling, McLaren

Raymond Oliver, Sone Products

Richard Jones, Solent LEP

Robert Pickersgill, W Hallam Castings

Sharon Lane, Tees Components



**Make UK is backing manufacturing - helping our sector to engineer a digital, global, and green future.** 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. The 20,000 manufacturers we represent have created the new technologies of today and are designing the innovations of tomorrow. By investing in their people, they continue to compete on a global stage, providing the solutions to the world's biggest challenges. Together, manufacturing is changing, adapting and transforming to meet the future needs of the UK economy. A forward thinking, bold and versatile sector, manufacturers are engineering their own future.

[www.makeuk.org/backingmanufacturing](http://www.makeuk.org/backingmanufacturing)



RSM is a leading provider of audit, tax and consulting services to middle market companies and their owners/managers, globally. With around 3,800 partners and staff in the UK across 34 offices and access to more than 43,000 people in 120 countries across the RSM network, we can meet our clients' needs wherever in the world they operate.

Manufacturing is a hugely important sector for RSM and our experience in the industry has been built up over many years by serving the needs of our manufacturing clients and providing proactive solutions to their compliance and business advisory requirements.

In addition to our knowledge of the manufacturing sector as a whole, we focus on specific sub sectors including food and drink, automotive and aerospace. We regularly run virtual forums, webinars and round table discussions for our clients where they can gain access to an environment that encourages and facilitates the sharing of ideas to combat sector specific issues.

Combining our industry knowledge, deep resources and personalised service, we offer solutions to help manufacturers achieve their objectives.

[www.rsmuk.com](http://www.rsmuk.com)

Cover Image: © Institution of Engineering and Technology/Mike Glendinning  
 Page 4 Image: © Rolls-Royce PLC  
 Page 18 Image: © This is Engineering  
 Page 21 Image: © This is Engineering

This publication is not intended to provide professional advice of any kind, and neither Make UK or the RSM Group accept any responsibility to any party for any loss, damage or costs howsoever arising, whether directly or indirectly, from any action or decision taken (or not taken) in reliance on this material, whether such loss is caused by negligence or otherwise. Neither Make UK or the RSM Group has any obligation to update this information.

---

For more information, please contact:

**Bhavina Bharkhada**  
 Senior Campaigns and Skills Policy Manager  
 bbharkhada@makeuk.org

**James Brougham**  
 Senior Economist  
 jbrougham@makeuk.org

**@MakeUKCampaigns**

**#BackingManufacturing**

---



---

For more information, please contact:

**Ben Horseman**  
 Business Development Manager  
 Ben.Horseman@rsmuk.com

---



