

South East England Regional Assembly – Select Committee on Manufacturing

Submission by the Vale of White Horse District Council

Introduction

The Vale of White Horse District Council (the Vale) welcomes the South East England Regional Assembly's (SEERA) decision to review the significant challenges facing the manufacturing sector in the region and the impact of SEEDA and its key partners in meeting this challenge.

Manufacturing is a significant employer in the Vale with 10.9% of employees compared to 9.8% employees in the South East as a whole (Source: annual business inquiry employee analysis 2003). However the percentage employed in manufacturing in the Vale of White Horse has declined from 15.1% in 1998.

Many large employers in Vale are involved in value added manufacturing. These include Bookham Technology (who manufacture optical components) and RM plc (who manufacture computers for the educational market). Therefore any further decline in employment in the sector will be a major issue as it may represent a decline in the Vale's knowledge base and its ability to create wealth.

In response to SEERA's Select Committee Context & Issues paper the Council's Innovation & Enterprise Service has the following comments:

General Comments

Manufacturing companies in the Vale such as White Horse Plastics have already benefited from the support of the Manufacturing Advisory Service (MAS) and the Council would like to work more closely with MAS to identify other potential beneficiaries.

Employers do not only have problems with SEEDA's initiatives because many are short term. Awareness and understanding of many of SEEDA initiatives are also issues. High level strategic initiatives may not appear relevant to many manufacturers and initiatives of this kind will not make a positive difference unless they engage a significant number of employers.

Comments on Discussion Issues

Discussion Issue 1: Manufacturing in the South East is very advanced and high value, but given the decrease in employment in the sector, how can SEEDA help dispel the misconception that manufacturing is a dying industry?

SEEDA needs to do more to promote manufacturing and its important role in knowledge development and wealth creation. There is a particular need to improve information about the contribution of manufacturing at the sub-regional level. Manufacturing is also an exciting industry and a good case study to prove this is Williams F1 Racing at Grove

Discussion Issue 2: How can SEEDA help to ensure that there is productivity improvement in manufacturing for the sector to compete successfully in global markets?

SEEDA could provide more resource to MAS in the South East. This would allow MAS to do more promotion (providing evidence of the outputs it has achieved) and increase the number of employers that it is able to assist.

Discussion Issue 3: Only 2% of companies which MAS could have supported were supported with in-depth consultancy due to limited resources. How adequate were the resources set aside for the MAS and those set aside for the proposed MAS in 2005-8?

See response to Discussion Issue 2

Discussion Issue 4: How can the skills needs to keep the manufacturing sector highly productive and competitive be met before the competitive advantage to the region is lost?

Many employers have concerns about the quality and relevance of training and view training as a cost rather than a benefit. Therefore many employers seek to recruit ready trained staff and do not want to improve the employability of existing staff. There is a need for more research into how training directly contributes to competitive advantage in manufacturing.

There is also a need to stimulate more partnership working between the manufacturing and academic sectors

Discussion Issue 5: In view of the fact that Lean Manufacturing is hard to sustain, requires time and uses resources that companies do not have when they are in the process of cutting costs, how can Lean be sold to companies as a means to encourage process and product innovation and, in turn, raise productivity?

The end benefits of Lean Manufacturing include doing more with less and eliminating waste so Lean should still be of interest to companies cutting costs to retain profitability. However Lean is not the be all and end all. Equal prominence needs to be given to knowledge based manufacturing, as the ultimate result of Lean could be more migration of UK manufacturing to lower labour cost economies.

Discussion Issue 6: To What extent should SEEDA MAS concentrate on providing high quality support at the expense of penetrating the SME market in view of the limited resources it has?

See response to Discussion Issue 2. Engaging, however well, with a small number of manufacturers will not make a difference. There little point in providing any resource to MAS if SEEDA does not allow it to have significant impact.