



PREPARE, IMPLEMENT, LEAD OUR 3 POINT ACTION PLAN

The manufacturing sector is one that has stagnated in the wake of the pandemic. Output and order levels remain at historical lows, with only 20% of manufacturing seeing some increase in orders in the last few weeks. Albeit, recent Manufacturing Purchasing Manager Index's (PMI) figures have indicated an acceleration of growth in recent months due to a short burst of pent-up demand from the first lockdown. Unfortunately, a V-shaped recovery is not all that it seems and it is clear that growth is unsustainable due to high levels of uncertainty meaning the manufacturing sector is on course to run out of steam.

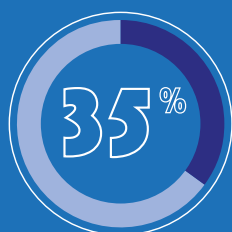
The manufacturing sector has also been a beacon of hope for the UK and our industry will look back with pride in the role it played during the Covid-19 pandemic. Many subsectors have come together to support the country in producing PPE and ventilators, helping the nation prepare for the second wave. The sector has taken

a lead on implementing new innovative technologies to adapt to a new trading environment, whilst leading the growth indicators of the UK's recovery, despite a slowdown in recent months. As we move into a second national lockdown, now it is time for the Government to do the same for manufacturing.

OUR 3 POINT ACTION PLAN

Manufacturers and wider industry need a clear strategy from Government that ensures that we **prepare, implement** and **lead** as we move into a second national lockdown and face the prospect of further lockdowns. It is vital that we learn lessons from the first national lockdown and local lockdowns to protect the public, businesses and local communities.

Businesses need as much certainty and stability as possible during these challenging times. Moreover, they need consistency of support. The current piecemeal and ever-changing models do not provide firms sufficient time to plan and prepare. Consistent, longer-term support, that mirrors that of our international competitors, is now needed.



OF MANUFACTURERS SAID NATIONAL LOCKDOWNS AND/OR LOCAL LOCKDOWNS ARE THE BIGGEST CONCERNS TO THEIR BUSINESS IN THE NEXT 12 MONTHS

1. PREPARE: AS LOCKDOWN STARTS

WE NEED:



A clear and consistent message from Government outlining which sectors and industries can stay open. We were pleased to see the Prime Minister clearly state that the manufacturing sector will remain open and operational. This message must be made consistently throughout the lockdown period.



Establish an Industry Action Group Unit, made up of business leaders, directly feeding into COBRA on a weekly basis to provide impact and intelligence of lockdown and what level of support is required to protect businesses, employees and communities.



Build supply chain resilience by working with key trading partners to ensure borders remain open for goods and services. Ensuring key freight routes are protected and supported will be essential as well as working with trading partners on strategies to reopen economies given the vast number of companies that rely on suppliers and customers across borders to ensure that supplies are available and customers are ready.

2. IMPLEMENT: THROUGHOUT LOCKDOWN

WE NEED:

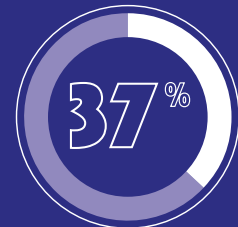


Regional and local authorities to coordinate the matching of supply and demand for ventilators and PPE.

With demand for vital equipment likely to accelerate in the coming weeks and months, regional and local authorities will be best placed to co-ordinate this action.



A longer-term plan to protect jobs and skills from day one implemented nationally with appropriate funding to support businesses. We welcome the announcement to extend the original Job Retention Scheme (JRS) during this second lockdown. However, what is needed is longer-term support with the same parity as that of our international competitors. More than ever, Make UK's calls to establish a National Skills Taskforce need to be heard and Government should work with industry immediately to take this forward.



37% OF MANUFACTURERS EXPECT IT WILL TAKE OVER 12 MONTHS TO RETURN TO NORMAL TRADING CONDITIONS



Introduce a kitemark system so businesses can show that they have been inspected by the HSE. This would highlight that premises have adopted best practice Covid-19 containments and social distancing standards. A kitemark on public display at the entry to the premises will help reassure staff and customers of their safety and restore the confidence customers need to return after lockdown ends.



Financial support for individuals self-isolating and for their employers so that they are not incentivised to conceal a diagnosis and put their work colleagues or the wider public at risk.



Proper enforcement of mask wearing, hand sanitising and social distancing. When one person or venue fails to follow best practice they undermine public safety and undo the efforts made by everyone else. Too often individuals flouting the regulations are recklessly endangering others and escape without reprimand. We must do all we can to prevent further local and national lockdowns given the catastrophic impact of sectors across the economy.

3. LEAD: EXITING LOCKDOWN

WE NEED:



A clear exit strategy with collective agreement between industry, scientists and government on when we come out of lockdown. This must include a fully functioning test, trace and isolate system without time delays that employers and their employees are experiencing currently. It should be determined by epidemiological reasoning rather than economic or other factors to avoid the falling into another lockdown.

Fix national testing to avoid further lockdowns. The manufacturing sector stands ready to assist in building robust national capacity to implement mass regular testing of the UK population. This will effectively identify areas which need additional measures to deal with Covid-19 outbreaks and avoid future waves of highly damaging national lockdowns being required.

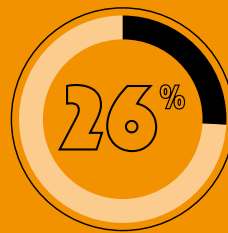


Securing a good deal with the EU and giving business sufficient time to prepare. Managing the end of the transition period, navigating a new partnership with the EU and mitigating the impacts of Covid-19 on industry are challenges that manufacturers are now tackling hand-in-hand. Therefore, manufacturers need to see a longer-term package of support that both mitigates the impacts of Covid-19 and supports them in managing the end of the transition period and into a new partnership with the EU.



A ready to go strategy to fire up demand by creating the right economic conditions for businesses and avoiding long-term economic damage. We need businesses to thrive, not just survive, but this will only be achievable if Government pulls the right policy levers to kick-start demand and get our economy back in track.

ONLY



OF MANUFACTURERS ESTIMATE THEY'LL BE AT FULL OPERATING LEVELS BY THE START OF 2021



Improving skills and creating jobs:

Introduce a NICs and other employment tax amnesty to encourage recruitment and retention.

Establish a National Skills Taskforce to retain talent and skills within the industry and support those employees who have lost their jobs during the pandemic.

Provide greater flexibility of the Apprenticeship Levy and upfront support for SMEs to ensure that employers continue to offer these invaluable opportunities.

Continue to prioritise the green economy and moving towards a net zero economy, which will create much needed new jobs.



Boosting investment and innovation:

Double the R&D tax credit whilst making it more accessible to SMEs to ensure innovation continues now and in the future.

Extend the temporary increases to annual investment allowances that are due to end at the end of the year to drive up much needed investment.

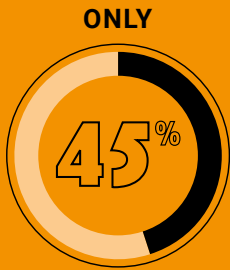
Immediately roll out 5G across all regions to ensure businesses and homes have the best digital connectivity possible.



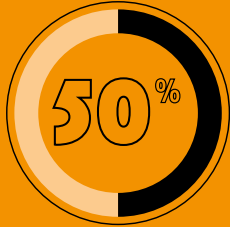
Mitigate cash flow challenges and sustainable debt management:

Immediately waive business rates for the manufacturing sector and commit to reducing the costs of business rates in the longer-term to reduce the cost to business.

Ensure that firms that have taken on exceptional debt for both job and business continuity are afforded the proper financial instruments to ensure that they are not hamstrung upon their emergence from the pandemic-induced economic crisis.



OF MANUFACTURERS PLAN TO RECRUIT AN APPRENTICE IN THE NEXT 12 MONTHS



OF MANUFACTURERS HAVE ALREADY MADE REDUNDANCIES DUE TO COVID - WITH MOST COMPANIES SAYING UP TO 25% OF THEIR WORKFORCES HAVE BEEN LOST



The Government has recognised the distinctive challenges that the manufacturing industry faces to date and realised that swift and bespoke policy action is required. This support must continue to ensure the most strategically important sector to the UK economy not only survives, but realises sustainable growth that will bring about wider economic benefits for decades to come.

The Government has announced many positive and welcomed schemes to mitigate the impacts of Covid-19 on the manufacturing sector. However, as both the domestic and international circumstance is ever changing, and as the world emerges from the pandemic, we need Government to take bolder and decisive action to support our industry as it faces novel challenges in the days, weeks and months ahead.

Make UK and the wider manufacturing industry stand ready to continue working with Government through these unprecedented and challenging times.

#BackingManufacturing



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.

MakeUK.org

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