

	Action for Government and Industry*	Key Outcomes	Key Milestones and Targets	Progress to Achieving Outcomes
1	Promoting Science and Innovation			
	Overall Outcome: The generation of world class research activities leading to the creation of globally competitive, high value added products and processes			
	Key Performance Indicators: Innovation, Investment, Skills and Productivity			
1.1	To further enhance the UK science, engineering and technology base through increased investment.	Making the UK the best place in the world to do science by closing the gap between the UK and the USA, the best performing, innovation-driven major economy.	To increase R&D from 1.9% to 2.5% of GDP by 2014. £10bn for science R&D until March 2008 incl £1bn to upgrade university facilities (SRIF 3); By 2007/08 annual science budget will be increased to £3.3 billion compared to £1.3 billion in 1997/98. EPSRC will invest £250m in 15-20 IMRCs by 2011.	Ten Year Investment framework for Science and Innovation (2004-2014) Innovative Manufacturing Research Centres (IMRC) receive 5 year block grants providing UK leading manufacturing researchers with stable, yet flexible funding. £60m invested in 11 centres by 2005. The IMRCs promote high quality research and masters level postgraduate training in manufacturing engineering and are based at universities. Their remit varies from those with a narrow focus on a single topic such as e-business to those covering the full range of manufacturing research.
1.2	DTI and HM Revenue & Customs to work to promote further the R&D Tax credit to business	Increased level of high quality R&D by UK companies, particularly SMEs.	Treasury considering options for enhancing R&D tax credits.	18,000 claims amounting to £1.3bn of which £795m has benefited SMEs, the majority manufacturers - Nov 05. Guidance issued: - CIRI manual updated Nov 2005; - "R&D tax credits for SMEs". Treasury has accepted most of Cox Review's recommendations, most notably the creation of a specialist group to handle all SME claims.
1.3	To implement Technology Strategy through delivery of the business support products (Knowledge Transfer Networks, Knowledge Transfer Partnerships and Collaborative R&D grants)	New globally competitive products and processes.	Total funding available through the Technology Programme (TP) to be increased to £370m (2005-2008), with the aim of fostering new networks to increase knowledge transfer and exploit emerging technologies. Review of TP criteria for selecting projects - 2006 TP to look at supporting larger projects with potential for greater impact - 2006 Chemistry Innovation KTN to be launched - 22 March.	Since its launch in February 2004 the Programme has announced 5 competitions for over £300m of funding in 33 technology areas. KTN - 19 Faraday Partnerships successfully migrated to 18 Knowledge Transfer Networks (KTN) new £40m business support product. Materials KTN and New Smart Materials Network launched Jan 2006; Bioscience for Business launched 28 February; The Sensors KTN announced new partnership with Research Councils and UKAEA on 15 Feb. Collaborative R&D - £63m made available for 5th round in October 2005. - £50m made available under the Micro and Nanotechnology Initiative since the Feb 2004 round. KTP - £28m for 2005/06 - 935 partnerships by September 2005. First annual report of the Technology Strategy Board (TSB) published Nov 2005.

1.4	RDAs to develop clusters and regional knowledge transfer and innovation networks that reflect regional priorities and enable linkages to national and international networks.	Regional issues embedded more deeply in Technology Strategy and science and innovation policies and processes.	OST making £5m available 2006/07 to RDAs to support interaction with Research Councils. Technology Manager Contact Day to be held in March 2006. The aim is for RDA Technology Managers to network and contribute views on sectors for targeting support under the Technology Strategy.	-All RDAs have now established Science and Industry Councils (SIC) . Membership is industry led with representatives from universities and Research Councils. Regional Innovation, Science & Technology (RIST) Group brings regions and DTI together to work on policy and implementation plans. Cluster Liaison Group brings together BR and Regions to share best practice. RDA contacts identified for technology areas identified in Technology Strategy.
1.5	Research Councils and Universities to work more closely with industry to increase the rate of business interaction and knowledge transfer	R&D and innovation targeted at increasing competitiveness of the manufacturing sector.	Increase funding for programmes to encourage closer and more widespread collaboration.	Lambert Review recommendation to increase collaborative funding through the Higher Education Innovation Fund (HEIF) agreed; increased to £238m for 2006/07 and 2007/08. A new funding formula directs 75% of funding towards institutions with good business income but also ensures every university in England (devolved matter) will get some funding. The other 25% is for a competition for innovative ideas in knowledge transfer; involvement of users is an assessment criterion. Research Councils have all agreed plans to increase their knowledge transfer and business interaction In past 2 years, 20 spinouts from universities have floated with combined value of over £1 bn.
1.6	To encourage greater UK participation in EU Framework programmes by simplifying the rules and supporting early adoption of FP7.	Increased UK uptake of R&D funds under Framework Programmes.	EU Parliament expected to agree the 7th Framework Programme (FP7) in April/May 2006 with the aim of starting as planned in Jan 2007.	-EU data from a year ago indicates that between FP5 and FP6: - UK industrial participation dropped by almost 30% (compared with falls of 13% for Germany and 7% for France); - UK participation across the board fell by over 10% (against a 5% rise for Germany and a 7% fall for France); - UK academic participation increased by 22% between FP5 and FP6 and remains the strongest of any participant state. Simplification of rules and procedures agreed under UK Presidency including participation of SMEs - Nov 2005. Budget discussions on FP7 continuing, following the delay in the EU budget in Dec 2005.

1.7	<p>Stakeholders to deliver on the outcomes of the successful sectoral Innovation and Growth Teams</p> <p>Deliver a Materials Innovation and Growth Team Strategy</p>	<p>Barriers to growth identified and tackled in key manufacturing sectors, resulting in practical and measurable improvements in performance against international competitors.</p> <p>Improved performance against international competitors</p>	<p>Representative body, Materials UK to be established and agree action plan by Autumn 2006.</p> <p>5 Working Groups being established for Science and Technology, Construction, People & Skills, Policy and Regulation and Energy - first meetings planned Spring 2006.</p> <p>S&T and Energy Working Groups to construct a proposal for an Energy Materials Technology Platform by October 2006.</p>	<p>Manufacturing IGTs and areas of key actions:</p> <ul style="list-style-type: none"> - Automotive: skills, supply chain, low carbon technology and retail. - Chemicals: leadership, innovation, skills and sustainable development through the Chemical Leadership Council (CLC). CLC has now achieved its objectives and activity will be taken forward by the Chemicals Innovation Knowledge Transfer Network (KTN). - Environment: better regulation, public procurement, underpinning technologies and skills - Aerospace: R&D, skills, socio economic environment, security and sustainable development. - Construction: work subsumed within European Construction Technology Platform (ECTP) aimed at promoting research and innovation. - Electronics: design, manufacture, distribution through the value chain, role of suppliers and markets. <p>Report to be launched March 2006.</p>
1.8	<p>Increase DTI team of International Technology Promoters and number of secondments</p>	<p>Improved access to technology transfer opportunities from overseas sources.</p>	<p>-To increase ITPs to 22 - Goal for secondments - 120.</p>	<p>- 22 ITPs recruited by Dec 2005. - 40 secondments 2004/05, 30 from Apr-Nov 2005.</p>
1.9	<p>to ensure that the Patent Office provides optimal incentives for private industry and individuals to innovate and invest.</p>	<p>Modernised patent/copyright application and enforcement process.</p>	<p>An Independent Review, led by Andrew Gowers to ensure that the UK's intellectual property framework is appropriate for the digital age - end 2006</p>	<p>Patent Office announces first IP crime strategy in August 2004.</p> <p>Awarded The Cabinet Office's Charter Mark for the 5th time for the quality of its customer service - Nov 2005.</p>

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2 High skilled, high performance workplaces			
Overall Outcome: Raise the demand for, and better use of skills in UK manufacturing through more responsive provision of training and education at national, regional and local levels, thereby raising productivity.			
Key Performance indicators: Skills and productivity			
2.1 A) To establish a National Manufacturing Skills Academy (NMSA) B) Help establish National Skills Academies (NSA) in allied sectors that compliment the NMSA	An NMSA led by employers is established, available to all manufacturers regardless of size or sector, in every region of the UK, that delivers accredited training to globally competitive standards, available from factory floor to management leadership and to include development of skills passports. A national network of sectoral skills academies that meet the needs of employers and provide logical and seamless provision of skills to UK manufacturers	Develop business plan by June 2006 - agree business plan with LSC by July 2006 Launch NMSA in pilot regions - September 2006 Further 8 National Skills Academies to move to business planning by October 2006.	Project team in place by January 2006 and endorsed by sectoral key partners (e.g. lead TAs, auto, aero, marine and electronics), RDAs and EEF. Policy steering group in place by 25 January 2006. On schedule to deliver business plan through SEMTA Board by June 2006. First 4 NSA proposals (Construction, Manufacturing, Financial Services and Food & Drink) moved to business planning phase in November 2005.
2.2 Fully embed the national Skills for Business Network	Fully established Sector Skills Councils (for manufacturing sectors) and Regional Skills Partnerships that effectively communicate the skills needs of their sectors and regions	All manufacturing SSCs to establish Sector Skills Agreements - end 2006, covering SEMTA - science and engineering manufacturing, COGENT - Chemicals, oil and gas, IMPROVE - food and drink, PROSKILLS - Processing and Manufacturing and SKILLFAST - apparel and footwear.	SEMTAs sector skills agreement (SSA) was in place by April 2005; Other manufacturing SSC SSAs in place by latest March 2007 All Regional Skills Partnerships in place by April 2005. They have been set up to ensure the needs of sectors and regions are brought together.
2.3 Further develop and implement the apprenticeship programme	A fully subscribed apprenticeship programme that fully meets the needs of employers/ employees.	New programme of 25+ apprenticeships in trial phase until Summer 2006.	Apprenticeship Task Force Final Report published in July 2005 recommending further actions to improve delivery and increase employer involvement. 245,200 young people in Apprenticeships in 2004 (70,000 in manufacturing) up from 75,000 in total in 1997.
2.4 Establish the National Employer Training Programme	A National Employer Training programme (Train to Gain) to offer training designed and delivered in a way that meets employers' needs	Once full roll-out has been completed the new programme expected to deliver 175,000 first full level 2 qualifications a year	Launch planned in 30 LSC areas, April 06 with full roll-out nationally by August 06, to include <ul style="list-style-type: none"> • A free brokerage service for employers to source any provision needed including advice on priorities identified by Sector Skills Councils and on the full range of programmes available at all levels; • free, high quality training, delivered at a time and place to suit the employer for employees who lack basic skills and/or a first full level 2 qualification; • free information, advice and guidance for employees, accessible through the workplace; • for employers of less than 50, wages compensation for the time employees spend in training; • Financial support equivalent to that for a level 2 qualification for employees capable of progressing straight to level 3 (often referred to as level 3 jumpers). The employer will pay for any difference in cost between L2 and L3.

2.5	National review of career advice for young people and adults	Careers advice for all that accurately describes opportunities in modern manufacturing leading to an increase in the numbers of talented people choosing a manufacturing career.	Cross-government review of Information, Advice and Guidance for adults, jointly led by DfES and LSC - results to be published before end 2006. DfES aim to provide extended learndirect telephone service guidance to 100,000 clients during the trial	The End to End Review of Careers Education and Guidance published in July 2005 alongside the Green Paper "Youth Matters". The findings of the review were used to inform the development of the Information, Advice and Guidance (IAG) section of Youth Matters. Consultation on Youth Matters closed in November 2005 and we expect the Committee's response to the consultation in 2006. Wider potential for a comprehensive, intensive advice and guidance service to help adults under review. DfES aims to provide an evolved adult IAG infrastructure to deliver a universally available, highly respected and well-used service offering linked information on jobs, qualifications, training and related services. One of the Review's outcomes will be to clarify the role and remit of IAG in the workplace. From January 2006 DfES is working with SSCs to trial an extended learndirect telephone service to provide in-depth personal advice and guidance on learning, work and careers. DfES are also investigating how, in the long-term, they can best provide labour market information for guidance purposes for adults and young people in all sectors.
2.6	Strengthen specialist schools network	All specialist schools to deliver applied learning in their specialism.	95% of secondary schools to be specialist by 2008. 200 High Performing Vocational Specialist Schools operational by 2008.	Nearly 80% of schools are now specialist. Currently there are 585 Technology Colleges; 47 Engineering Colleges; 47 Vocational specialist schools commence delivery from April 2006.
2.7	Develop a flexible and transparent system of vocational qualifications	Revitalised system of vocational qualifications	New Engineering and manufacturing diplomas for 14- 19 year olds to be developed by SSCs. The Engineering diploma will be available from September 2008 and the Manufacturing diploma from September 2009. Each set of diplomas will be subject to a 3 year pilot period. There will be a national entitlement to all 14 specialised diplomas in every local area from 2015.	In February 2005, Government published its White Paper on reform of 14-19 education in England, building on the Tomlinson Report on 14-19 reform of curriculum and qualifications.
2.8	Create high performance workplaces through maximising the potential for cooperation.	Employers and employees to work together effectively.	Business Links to champion high performance workplaces	Partnership Fund to encourage the development of industrial relations by encouraging employers and employees to work together effectively. Supported 249 workplace projects, 20+ strategic projects and committed over £12.5m by March 2004. PF closed 2004.
2.9	To improve communication between employers and employees.	Increased transparency so that employees are aware of their employers' economic position and prospects.	The EU Directive on Information and Consultation (I&C) will be extended to undertakings with more than :- a)100 employees from April 2007; b) 50 employees from April 2008.	The EU Directive (I&C) translated into UK law and came into force in April 2005. Based on a framework agreed by the CBI and TUC. It is not automatic but needs to be requested by 10% of employees. Applies to undertakings of 150+ employees

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3 Encouraging Intelligent Public Procurement A subgroup of the Manufacturing Forum has been set up to address this priority area. Members of this subgroup include representatives from: SEEDA, TUC, T&G, CBI, EEF, VT Group, OGC, Small Business Service and HM Treasury			
Overall Outcome: A more open, transparent and predictable public procurement process that encourages innovative solutions and benefits UK manufacturers, including SMEs, through providing increased opportunities to bid for contracts and benefits Government through delivering better goods and services with greater value and efficiency.			
3.1 Increased ability of UK companies to bid successfully for public procurement contracts by implementing the Kelly Report on competition and capacity planning in the Government market place	To achieve a more systematic and strategic approach to managing key markets by: Providing industry with clear and forward-looking information on public sector demand Gaining a better understanding of markets Strategic shaping of markets, where appropriate Sharing market intelligence	Implementation and testing Kelly principles in 2nd Kelly Market study of evolving market: Waste Management . OGC gathered data on public sector demand from local authorities in England. Also engaging with key waste services suppliers. Will publish results in first quarter of 2006. Implementing and testing Kelly principles in 3rd Kelly Market study of a new market – Independent Sector Treatment Centres . Report on lessons learnt from this new and unique market and make recommendations to DoH arising from application of Kelly market shaping principles. Due second quarter 2006. Guide to ensure lessons from Kelly Markets can be implemented in other sectors due in Summer 2006.	Kelly Action Plan published December 2003 alongside Pre-Budget Report Implemented and tested Kelly principles in 1st Kelly Market study of a mature market: construction . Compiled first ever forward look at demand across 4000 projects, £42.5bn in value. Identified pinch points of demand and supply. Findings and recommendations published May 2005. Strategic market shaping recommendations being undertaken by OGC's Smarter Construction Division. Published best practice on market creation , including case studies, in November 2004
3.2 To embed innovation in procurement practices of Government Departments	Innovative practices adopted in the public sector to achieve improved and better value for money solutions	Lord Hollick to report to the Ministerial Committee on Science and Innovation in April 2006 The NHS National Innovation Centre (NIC) is designing an innovations portal to source ideas for procurement and adoption. OGC and DTI will work alongside the NIC to expand the potential sources of ideas, and to evaluate the portal for use across other areas of government.	- DTI and OGC published a guide for public purchasers, " Capturing Innovation - Nurturing Suppliers' Ideas in the Public Sector ", in April 2004, which provides practical help and advice on how to procure innovative solutions. - Lord Hollick has been appointed to work with OGC to promote the embedding of innovation in public sector procurement practices. He will examine three specific high profile public sector procurement projects where innovative solutions can be adopted - September 2005.
3.3 To create an environment in which small businesses can compete effectively for government contracts on a level playing field .	A more level playing field for competing for public procurement in which the barriers to the participation by small businesses have been reduced	National Portal for advertising public sector opportunities, aimed mainly at sub-OJEU valued contracts, to help businesses find opportunities in a single place, to go live March 2006. Recommendations drawn up on the findings of the OGC/SBS study into the effects of third party accreditation on small businesses by end March 2006 for subsequent consultation and implementation.	Two highly successful pilot procurement projects, based in West Midlands and Haringey, to test recommendations of Better Regulation Task Force Report/Small Business Council report and ensuring SMEs have easier access to Government contracts. Involved 1,600 businesses. In West Midlands increased percentage of SMEs winning Government contracts from 14% to 26%. Concluded 2004. Simplified national Pre-Qualification Questionnaire for sub-EU threshold procurements launched in August 2005, reducing time spent providing information for contracts.

		Under the (mandatory) Small Business Research Initiative (SBRI) Departments, Agencies and Research Councils must procure at least 2.5 per cent of their extra-mural R&D from SMEs. SBS to monitor spend and publish figures annually.	<p>OGC is delivering training across the English regions to help procurers understand the benefits of the appropriate use of SMEs. So far there have been 11 workshops across the regions, with a further 6 planned and 324 procurers have been trained. 382 procurers have attended external conferences and events that OGC have spoken at. SBS is delivering training with the RDAs to SMEs to help raise their procurement skills.</p> <p>Updated OGC and SBS guidance 'Smaller Supplier: Better Value?' to raise awareness in public sector of the value for money that SMEs can offer published December 2005.</p> <p>OGC has met key suppliers to Government to encourage them to adopt more open supply chain policies in their role as prime contractors.</p> <p>Guidance for procurers on opening up supply chains is on the OGC website.</p>	
3.4	To examine the use of social clauses in public procurement to benefit UK manufacturing	A balanced report with an assessment of how social clauses can benefit UK manufacturing, with case studies and checklist guidance	<p>Report to be published March 2006</p> <p>Seminar event to be held to discuss and promote results of research - April 2006</p>	<p>Consultants appointed to undertake research December 2005;</p> <p>Steering group to shape the report established January 2006;</p> <p>Sounding Board event to test initial findings with key procurement stakeholders February 2006.</p>
3.5	To further sustainable development through procurement of goods, services and buildings	To bring about a step change in sustainable public procurement so that the UK is among the leaders in the EU by 2009.	<p>Sustainable Procurement Task Force Action Plan to be published April 2006 setting out how to:</p> <p>Avoid adverse environmental impacts arising on the government estate and in the supply-chain.</p> <p>Make more efficient use of public resources.</p> <p>Stimulate the market to innovate and to produce more cost effective and sustainable options for all purchasers.</p> <p>Set an example for business and the public and demonstrate that government and the wider public sector is serious about sustainable development.</p>	<p>Sustainable Procurement Task Force established. May 2005</p> <p>Task Force working groups established in areas of:</p> <ol style="list-style-type: none"> 1. International Benchmarking 2. Data-gathering and Prioritisation 3. Working with Suppliers to achieve improvements 4. Government Accounting and Budgeting 5. Capacity Building/Training/Skills
3.6	To maximise the opportunities for UK companies to win business directly and indirectly from Olympics 2012		<p>Public Procurement strategy to be put in place in 2006</p>	<p>Procurement principles' identifying importance of programme of skills and training to maximise local benefits and securing wider economic dividend published by interim Olympic Delivery Authority September 2005.</p> <p>OGC is undertaking a 2005-2015 Construction Demand/Capacity Study which will examine the industry's ability to deliver major construction projects and programme. Final report due on the 19th May.</p> <p>Representatives from OGC attended the Olympic Business Summit.</p> <p>First meeting of Strategic Forum for Construction Olympic Task Group, December 2005</p>

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4 Encouraging High Value Added Investment				
Overall Outcome: Improve the investment performance of UK manufacturing industry.				
Key Performance Indicators: Investment and profitability				
4.1	Maintaining a stable economic environment within which industry can invest with confidence.	Increased investment in modern manufacturing		<p>Since 1998 the UK has had the most stable GDP growth in the G7 and second most stable in the OECD. In terms of inflation, it has been the most stable in the G7 and OECD.</p> <p>Real manufacturing investment grew by 2.5% in 2004, but it remains near to historic lows, and behind the USA and Germany.</p>
4.2	To target Selective Finance for Investment in England where it is really needed.	Encouraging skilled job creation / safeguarding by investing in Assisted Areas All projects to show above sector average growth in the gross value added per full time employee.	In response to new European Commission guidelines on regional aid, DTI is reviewing Assisted Areas of the UK (method by which grants are targetted). The first part of the consultation ends on 19th April and part two will contain the Government's response	During 2004/05, over 200 offers were made involving grant of over £30m. 90% of the offers made were to UK manufacturers. The projects were expected to result in the preservation more than 4,000 skilled jobs and the creation of over 2,500 skilled jobs.
4.3	To address difficulties faced by SMEs in attracting investment for growth by the provision of risk capital, tax incentives and loan guarantees for start up and growth businesses.	Encouraging employment and innovation in the regions	<p>Announcement of successful applicants for the first round of Enterprise Capital Fund (ECF) expected mid 2006.</p> <p>Additional lenders join SFLG, thus widening accessibility of Small Firms Loan Guarantee Scheme (SFLG) to SMEs - Q3 2006</p> <p>First SFLG annual report to Parliament to be published - Q2 2007</p>	<p>EU clearance received mid 2005; Competition launched in August 2005 to operate a pathfinder Enterprise Capital Fund round.</p> <p>45 applications received which was at the higher end of expectations. SBS are now undertaking detailed due diligence on a shortlist of bidders.</p> <p>New form of SFLG reflecting the Graham Review recommendations has simplified eligibility criteria for SMEs, including single maximum lending value (£250,000) and increased turnover limit (£5.6m) while focusing availability on start-up and young businesses up to five years old - operational December 2005.</p> <p>Use of SFLG during 2005/6 remains at around 650 new loans guaranteed per month.</p> <p>Of £2.2 bn raised so far in investment funds through Venture Capital Trusts about £1.4bn has been onwards invested. Manufacturing accounts for 19%. For VCTs the funds are raised and then there is a 3-year period to onwards invest 70% in companies so there is a time lag between fundraising and investment.</p> <p>£219m has been raised for manufacturers under Enterprise Investment Schemes (EIS).</p>
4.4	UK T&I to promote the UK as a preferred destination for inward investment and to support trade and outward investment	<p>To increase high quality inward investment</p> <p>To improve the competitiveness of UK companies through trade and outward investment.</p>	<p>Maintain the UK as the prime location in the EU for foreign direct investment by attracting 1,338 inward investment projects between 2005/08.</p> <p>By 2008, deliver a measurable improvement in the business performance of UKTI's international trade customers with an emphasis on new-to-export firms.</p>	<p>2004/05 - Inward investment projects increased from the previous year by 31% to 1,066 creating 39,000 new jobs (+55%) - 268 projects were in manufacturing (25%).</p> <p>The UK's share of FDI recorded by UNCTAD world investment report is the best in Europe on a year by year basis.</p> <p>In 2005, 54% of experienced exporters and 31% of new-to-export businesses improved their business performance within two years of receiving UK Trade and Investment support.</p>

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5	Promoting Best Practice			
	Overall Outcome: UK manufacturers continuously improve through adoption of global best practice			
	Key Performance Indicators: Output, Skills and Productivity			
5.1	<p>Increase the effectiveness and market penetration of the Manufacturing Advisory Service (MAS).</p> <p>Encourage adoption of global best practice throughout manufacturing industry.</p>	<p>The Manufacturing Advisory Service will address the practical needs of British manufacturers by delivering hands-on advice and assistance from experts in a wide range of manufacturing disciplines.</p> <p>Industry Forums to increase adoption of global best practice (e.g. lean) in key sectors</p>	<p>DTI funding for MAS will rise to £6 million a year by 2007/08 alongside continued RDA match funding. (£34 million in total over 2005-08, split 50:50 between DTI and the RDAs).</p> <p>MAS target of £250 million value added for UK manufacturers over the next 3 years</p>	<p>By December 2005 MAS had;</p> <ul style="list-style-type: none"> - handled 76,364 contacts and enquiries - Carried out 13,806 company diagnostics - Created £213 million in value added <p>MAS Development Board formed and its programme consists:</p> <ul style="list-style-type: none"> - An evaluation running from January to June 2006 - Strategic future policy workshops in January 2006 and study tour of US MEP in February 2006 - New Business Case to be developed by June/July 2006. <p>DTI provided £30 million towards the establishment of 14 Industry Forum organisations in key sectors creating £208 million added value.</p>
5.2	<p>Business Links to promote best practice to SMEs in the regions through Business Performance diagnostics and best practice grants</p>	<p>SME manufacturers to have easy access to high quality information and support to help them achieve global best practice</p>	<p>Business Performance Diagnostic target: 5000 diagnostics in 2005-06</p> <p>SIBBP Grant target - 2000 grants in 2005-06</p> <p>* targets are not set regionally, only nationally (this is deliberate and there is no intention to change this at present)</p>	<ul style="list-style-type: none"> - Promotion of best practice to SMEs migrated to Business Links in March 2005. - Approximately 4700 Business Performance Diagnostics (BPD) will be completed this year, a 45% increase on last year. Support to Implement Best Practice (SIBBP) Grants are on track to meet the 2005-06 target. - Provisional 2005-06 survey results indicate that nearly 60% of businesses that have used the diagnostic and over 80% of businesses in receipt of a grant expect to make improvements to their productivity and competitiveness as a result of support (ie factoring in "additionality")
5.3	<p>To improve the impact, efficiency and effectiveness of business support.</p>	<p>A streamlined, more coherent package of business support that meets the needs of every region</p>	<p>A major programme of simplification (deproliferation) is being launched, led by the Small Business Service (SBS) in partnership with the RDAs and other local and national bodies.</p>	
5.4	<p>Implement the recommendations of the Cox Review on "Creativity in Business".</p>	<p>Fully exploiting the nations' creative skills in UK manufacturing</p>	<ul style="list-style-type: none"> - Design for Business programme extended to LDA and SEEDA by end 2006 and all RDAs, DAs by April 2008. RDAs delivering complementary programmes in a coherent range of support - Creativity & Innovation centres throughout the UK with central hub in London. - Establish the London Creativity and Innovation Centre. Feasibility study due to report by May 2006. 	<p>-Design for Business programme now underway in partnership with Yorkshire Forward and ONE North East.</p>

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6 Improving Understanding of Manufacturing			
A subgroup of the Manufacturing Forum has been set up to address this priority area. Members of this subgroup include representatives from CBI, EEF, SETNET, Young Engineers, Design Council, IMechE, ETB, [Royal Academy of Engineering], [Enterprise Insight], TUC, DTI, [DfES], University of Cambridge and the Manufacturing Institute.			
Overall Outcome: Real changes in stakeholder attitudes towards manufacturing over the next 10 years and an improved, more positive role for UK manufacturing sector.			
Key Performance Indicators: Skills, Results of perception surveys, Occupational segregation figures, Media coverage statistics			
6.1 To raise levels of understanding about the importance of manufacturing and the drivers of successful high value manufacturing .	<p>Increased awareness of the importance of manufacturing and the high value nature of successful manufacturing.</p> <p>A better understanding by companies of the drivers and processes necessary for successful high value manufacturing and of the routes to implement and adopt them.</p> <p>A better understanding by government of the necessary conditions for successful manufacturing enabling it to develop government policy in a way that supports industry.</p>	<p>Publish Manufacturing Forum report on Defining High Value Manufacturing in February 2006 that demonstrates (i) importance of manufacturing, (ii) how manufacturing has evolved to a high value sector, (iii) the variety of ways in which manufacturers create value.</p> <p>Publish Manufacturing Forum study in Summer 2006 which illustrates in depth with case studies how High Value Manufacturers are adding value to production through processes such as design and innovation.</p> <p>Use case studies [for example in National Communications Campaign (Action 6.3)] to raise awareness of the changing nature of manufacturing towards high value and its importance to the UK economy. (Summer 2006)</p>	<p>DTI and CBI funded a research project by the University of Cambridge's Institute for Manufacturing (IfM) to define High Value Manufacturing. IfM produced draft report in December 2005.</p> <p>DTI is initiating work jointly with CBI and EEF to produce a report that uses case studies to demonstrate the processes that manufacturers use to create value.</p> <p>The "ManuFACTuring" campaign led by the Salford based Manufacturing Institute on behalf of the North West Regional Development Agency, was launched on 14th November 2005, to better inform Government of the facts about the manufacturing sector and dispel the myths.</p>
6.2 To improve perception of manufacturing amongst: Young People	<p>The share of talent, necessary for future competitiveness, is attracted to the sector (see Action 6.4).</p> <p>Every primary and secondary school in the UK has equal access to high quality, high impact, coordinated schemes in engineering and technology related education.</p> <p>Careers advisors better informed and stronger advocates of careers in manufacturing.</p> <p>Increased interaction between modern manufacturing companies and schools</p>	<p>Establish a successful Manufacturing Enterprise Day within Enterprise Week (13-19 November 2006).</p> <p>By January 2007, conduct review of the implementation of the Technology and Engineering Strategy for Schools (TESS) that aims to coordinate existing engineering education schemes that deliver engineering clubs, learning materials, careers information, competitions, teachers' continuing professional development and high profile promotional events.</p> <p>STEM cross-cutting programme to report back in early 2006 to encourage increased coherence between schools schemes.</p>	<p>Enterprise Insight and Manufacturing Forum established a partnership to create a Manufacturing Enterprise Campaign Hub team, which will organise Manufacturing Enterprise Day and manage the longer running campaign.</p> <p>It is envisaged that key elements of the TESS could be achieved through initiatives such as the Royal Academy of Engineering's Shape the Future Campaign (launched on 28th November 2005), the ETB's (Engineering Technology Board) scenta web platform (www.scenta.co.uk promotes Science, Engineering and Technology Careers) and an alliance of organisations including The Royal Academy of Engineering, The BA, SETNET, DATA, and the G-15 of engineering institutions.</p> <p>DTI and DfES have conducted a mapping exercise of STEM (Science, Technology, Engineering and Mathematics) schemes, published 2004. TESS is taking account of this STEM mapping exercise.</p>

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6.3 To improve perception of manufacturing amongst: General Public	General Public better aware of what modern manufacturing is; and so parents, teachers, careers advisors happy to encourage young people into careers in manufacturing.	Establish a pro-active National Communications Campaign , [by Summer 2007], to ensure that the mass media's coverage of manufacturing is in line with reality.	A strategic review of the Make it in Scotland scheme was published in January 2006. It includes recommendations for ensuring this schools scheme provides a more significant long term influence on career choice and more cost effective delivery. Manufacturing Forum has commissioned a proposal of tactics to broaden and improve the perceptions of manufacturing amongst key opinion formers across the media. This proposal was presented in November 2005. Now investigating with partners (including CBI and EEF) how to manage and deliver this campaign: establishing an industry-led team and sources of funding.
6.4 To improve perception of manufacturing amongst: Women and to improve gender equality in occupations where women are currently under-represented.	Better gender balance at all levels in the UK manufacturing sector, where currently only 25% of the workforce are women. All manufacturing companies understand and appreciate the business benefits of gender equality and actively pursue policies and practices that promote equal opportunities and diversity. Good practice on gender equality is showcased and shared amongst Manufacturing employers.	Establish a more coherent approach between the many organisations already active in promoting gender balance in the manufacturing sector. The National Communications Campaign will also highlight the career opportunities for women [Summer 2006?]. The prestigious Manufacturing Excellence Awards (winners announced 29 June 2006) will include a standalone Equality Award . The UK Resource Centre for Women (UKRC) in Science, Engineering and Technology has developed this award and will train the assessors in gender equality in preparation for the assessment boards and in-company visits (March-June).	Under the Manufacturing Forum's Image Subgroup a group of organisations including Equal Opportunities Commission, UKRC, the WISE Campaign, TUC, CBI, DTI, Everywoman and Aurora met in October 2005 to scope out how and in which areas they can work together. The proposal for The National Communications Campaign [under Action 6.3] included ideas to promote manufacturing to Women specifically, including better promoting successful role models. The Equality Award, established by the UKRC, was originally a sub-section of the People Effectiveness Category at the 2005 Manufacturing Excellence Awards but was recognised as being a business imperative in its own right so has been separated in 2006.

Action for Government and Industry*	Key Outcomes	Key Milestones and Targets	Progress to Achieving Outcomes
7 Better Regulation			
Overall Outcome: Light-touch regulatory environment & less red tape, while maintaining essential protections for public, consumers and employees			
Key Performance Indicators: Quantitative targets on burden reduction; Cabinet Office better regulation standards; numbers of EU proposals with impact assessments and consultation; EU withdrawals; EU simplification proposals; UK simplification proposals			
7.1 Simplify regulation and reduce administrative burdens on business	<p>Targeted reductions in administrative burdens on business</p> <p>Simpler and less burdensome EU regulation.</p> <p>Providing business and stakeholders with greater clarity and awareness of relevant regulatory changes by extending Common Commencement Dates (CCDs) of 6 April and 1 October each year to other areas beyond employment.</p>	<p>Challenging, quantifiable targets to reduce the regulatory burden - Pre Budget report, Spring 2006.</p> <p>Departments to prepare measurable simplification plans to implement the Hampton reforms by Spring 2006.</p> <p>Announcement of DTI targets for reducing administrative burdens - Spring 2006.</p> <p>Simplification plans will be published by Spring 2006, including plans for delivery of £1bn in savings from regulatory burdens target by 2010.</p> <p>Fulfilment of commitments set out in EU simplification plan.</p> <p>Agreement on use of administrative burdens methodology to quantify EU administrative burdens and set targets for quantitative reductions.</p> <p>DTI to extend CCDs to all policy areas in 2006.</p>	<p>Progress at Government level:</p> <ul style="list-style-type: none"> - Hampton Review recommended reducing costs on business of enforcing regulations - March 2005. - David Arculus Review published in March 2005 setting out recommendations for regulatory simplification. - The Legislative and Regulatory Reform Bill to promote Better Regulation presented to Parliament - Jan 2006 <p>Progress at DTI level:</p> <ul style="list-style-type: none"> - DTI & Defra Draft simplification plans published Nov 2005 describes how DTI will meet its target. The DTI Plan sets out how the Department will deliver a 25% reduction in administrative burdens. Business input into DTI simplification plan through DTI website and direct contacts with the Department. <p>Progress at EU level:</p> <p>UK Presidency achievements:</p> <ul style="list-style-type: none"> - Member states agree Forward programme on better regulation; - Commission announced in Sept 2005 that it would withdraw 68 of 183 new proposals for EU laws pending at the European Parliament and Council. <p>In October 2005 the Commission presented a 3 year programme to simplify over 1,400 legal acts("acquis") adopted since 1957.</p> <p>Agreement on impact assessment methodology means all EU policy-making must be informed by robust impact assessment.</p> <p>Agreement on methodology for measuring administrative burdens.</p> <ul style="list-style-type: none"> - New Commission guidelines on impact assessments - all key EU proposals required to have impact assessment with strong analysis of effects on competitiveness. <p>In early 2005, CCDs for new and amended domestic legislation were extended to health and safety, consumer and corporate law and intellectual property law.</p>

Action for Government and Industry*	Key Outcomes	Key Milestones and Targets	Progress to Achieving Outcomes
<p>7.2 Ministerial oversight to ensure new regulations conform to better policy making principles.</p> <p>Extend better policy making principles to existing regulation.</p>	<p>More light-touch regulatory environment with less red tape</p>	<p>Monthly meetings of the Cabinet Office sub Committee on Regulatory Accountability RB (PRA) to assess proposals.</p> <p>The Davidson Review announced in the Chancellor's Pre-Budget Report in Dec 2005 will look at how the UK implements EU regulation with a view to identifying areas where simplification and deregulation would be appropriate.</p>	<p>RB(PRA) reviews all significant proposals.</p> <p>All legislative proposals require robust impact assessments and consultation with stakeholders in line with Cabinet Office standards</p>
<p>7.3 To facilitate sector regulatory groups to inform and influence policy along the lines of VIPER (The Vehicle Industry Policy and European Regulation) and consider scope for EU level groups.</p>	<p>UK groups continue to provide valuable forum for Government and business to discuss upcoming regulatory developments.</p>	<p>Construct feeding in of sectoral evidence based processes to appropriate EU and domestic policy teams.</p>	<p>VIPER is a Whitehall and UK industry stakeholder network of experts that provides a joined up approach to the Government's policy and regulation formulation in the UK and the EU;</p> <p>* In 2004, within the DTI, the Sector Regulatory Fora approach was extended to Chemicals [Chemicals Regulatory Forum - CRF], Construction [Construction Industry Group on Policy and Regulation - CIPER] and BIGRAG in the Bioscience sector. DEFRA also established a group covering the Food & Drink sector.</p> <p>* Last year's Electronics Innovation and Growth Team Report recommended the establishment of a similar group and the first meeting of the Electronics Regulatory Group [ERG] took place in October 2005.</p> <p>* EU level groups have also been set up to cover the Automotive sector (Cars 21) and the Energy Intensive Industries.</p>

	Action for Government and Industry*	Key Outcomes	Key Milestones and Targets	Progress to Achieving Outcomes
8	Modern Infrastructure			
	Overall Outcome: An efficient energy, transport, communications and planning infrastructure that underpins business competitiveness.			
8.1	To ensure reliability of energy supplies through open and competitive markets.	Clean and affordable energy for the long term to sustain economic growth and improve productivity.	12 week consultation ends April 2006.	Energy Review Consultation document issued January 2006
8.2	Develop a more efficient transport infrastructure	Providing the right transport infrastructure to support manufacturing success through productivity improvement gained by logistics efficiencies	Eddington Study to assess long term impacts of transport decisions on UK productivity, stability and growth - reporting to Ministers (Mid-2006). Forthcoming Ports Policy Review will invite views on the future of the ports industry — looking ahead to about 2030.	Total public spending on 10 year transport plan now £37 billion over next 3 years and set to grow by 2.25% annually to 2015. DfT Transport Innovation Fund - Money from the TIF will become available from 2008/09 to support schemes aimed at tackling congestion and raising productivity. The Fund is forecast to grow from £290 million in 2008/09 to over £2 billion by 2014/15. The Technology Strategy Board have launched a pilot Innovation Platform on Intelligent Transport Systems and Services backed with £10 million of funding.
8.3	Deliver a more efficient planning system	More efficient and responsive planning process to meet the demands of a rapidly evolving economy.	Barker Review of Land Use Planning due to report late 2006.	The Chancellor and the Deputy Prime Minister have invited Kate Barker to conduct a Review on Land Use Planning to consider how, in the context of globalisation, planning policy and procedures can better deliver economic growth and prosperity alongside other sustainable development goals.

*including RDA and DA and other agencies/organisations where appropriate