

Plymouth Manufacturers' Group Chairman's Review of the Year 2017

(figures rhs will correspond to the accompanying slideshow)

Following the completion of my third and final year as Chairman of the PMG, it gives me great pleasure to present to you my *Review of the Year 2017*. As in previous years, my script is accompanied by a slideshow provided by my 'able assistant'.

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This year I'm going to present my review in chronological order commencing with ... You've guessed it - *January*.

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January

In January, we heard that Plymouth had maintained its title as the English southern city with the highest concentration of its workforce employed in manufacturing. At 11.6 per cent it was well ahead of its nearest rivals Portsmouth and Luton. (Statistics courtesy of the Centre for Cities – Cities Outlook 2017).

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This year's report also revealed that the EU is by far the biggest destination for exports from British cities with EU countries accounting for 46% of Britain's urban exports. No surprises there really, but what was a shock was that Exeter; Plymouth and Bristol topped the table with 70; 68 and 66 per cent respectively. Plymouth apparently is also the City in the UK that is most reliant on exports to both France (26%) and Germany (32%). As actor Sir Michael Caine, would say, '*not a lot of people know that!*' The total value of exports from Plymouth was £1.91bn and 82% of that figure was product-related, whilst 18% was in respect of services.

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February

February saw the first ever meeting of the PMG's Marketing subgroup which took place right here at the Future Inn under the chairmanship of Ali Fenn and was attended by – wait for it - a majority of women. It's never been known before in the history of the PMG and long may it continue! There were representatives from a diverse range of firms from some of the very largest to some of our smallest. It looks like being an extremely interesting group with the promise of doing what all PMG subgroups do best, that is, sharing best practice; discussing the hot topics; collating data & information and listening to presentations from potential service providers.

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March

March was a particularly busy month. We welcomed as our guests at the Duke of Cornwall, John & Chris Henley, Directors of Henley Real Estate who announced plans for a £50 million redevelopment scheme with a boutique hotel offering magnificent views of Plymouth Sound. Development specialists Henley Real Estate were selected by Plymouth City Council as the preferred bidder to develop the site of the now-demolished Quality Hotel in Cliff Road overlooking the Hoe. John & Chris outlined details of their scheme which comprises a luxury 60-bedroom boutique hotel, with state-of-the art conference facilities, a full gym and spa and a panoramic penthouse with a fine-dining restaurant. Alongside the hotel there will be a separate tower comprising 80 bespoke apartments. Called *1620*, the name is linked to the date of the sailing of the Mayflower. The developers plan to have the landmark scheme delivered in time for the Mayflower 400 anniversary in 2020.

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	<p>March also saw the launch of the Plymouth's STEM (science, technology, engineering and maths) Strategic Plan at a meeting of the STEM Forum in the University of Plymouth. Plymouth's vision is <i>'By 2031, we see Plymouth as a thriving, innovative international ocean city with science, technology, engineering and maths (STEM) driving the region's growth and productivity.'</i></p> <p>The PMG is proud to be founder members of <i>STEM Plymouth</i>, having been there right from its inception.</p>	8
	<p>Finally, March was also the month that the PMG's third Apprentice Jobs Fair was held in Plymouth Guildhall which attracted a record numbers of visitors and was deemed a great success by exhibitors and visitors alike. This was the first year that the PMG had shared the event with construction firms who were represented by the sectoral group <i>'Building Plymouth'</i>. The combination of the two major sectors created even more of a critical mass than we had previously experienced. This year we had over forty different exhibitors and we attracted around nine hundred people through the doors despite it being a particularly cold and wet day. Whilst thanking all the companies that exhibited we need to give special thanks to Princess Yachts and demolition experts Gilpin who helped to grab the attention of people passing by with the presence in the car park of their demolition plant and the beautiful Princess v40 which, only earlier in the year, had made her worldwide debut in Germany.</p>	9
May	<p>May saw the launch of a dedicated School of Engineering at Plymouth University that aims to expand its expertise in the field and offer new opportunities to students, academics and industry. The new School expects to build on the University's existing reputation for research across marine renewable energy, coastal engineering, autonomous marine systems, structures and materials, while developing new commercial partnerships and research collaborations. It also plans to enhance the academic programme, which currently sees around 1,000 students working across subjects including Mechanical, Marine and Materials Engineering.</p> <p>But that is enough about that, because I don't wish to steal Prof Deborah Greaves, Head of the School of Engineering's thunder who is our guest speaker this morning.</p>	10
June	<p>In June, we held our third major PMG Conference and exhibition. This year on the subject of <i>'Skills & Talent Retention'</i> with seven speakers drawn from across the Country who each addressed a wide range of topics as diverse as <i>'Using mobile virtual reality to attract and retain talent'</i> and <i>'How to get the best from Apprenticeships'</i>.</p> <p>June was also the month that the General Election was held and PMG members received pre-election visits from both the Foreign Secretary, Boris Johnson, and the Secretary of State for Defence, Sir Michael Fallon.</p>	11 12
July	<p>July saw two of our subgroups focus on subjects that drew a lot of interest from members. The Resource Efficiency Subgroup visited Magma Moulding's (manufacturer of the children's ride-on Trunki suitcase) site at Kestrel Park, Burrington Way Industrial Estate. They had recently retrofitted a new variable speed drive by ASEA Brown Boveri (ABB) to a moulding machine. The plastic product moulder cut energy costs by £7,800 per year with the variable speed drive, which reduced energy output by creating a speed differential - a payback of just seven months. Meanwhile, the Finance subgroup received a presentation from <i>'Balance for Business'</i> who are Commercial Finance Brokers based in Plymouth who deal in all types of finance, specialising in property & cashflow lending, dealing with loans from £50,000 to £25,000,000.</p>	13

Incidentally, at other times in the year our subgroups received presentations on *Gender Pay Gap reporting; Cyber Awareness* and also the *General Data Protection Regulation (GDPR)* which comes into force later this year. To name but a few. 14

Also in July, PMG members were invited to make a site visit to BD's premises on the Belliver Industrial Estate, hosted by Mike Syrett. Here we see myself and other members all 'gowned-up' ready to tour the site. The main feature of the visit was to learn more about BD's 'process optimisation' i.e. new problem solving techniques which have improved output by 20-25% with no further capital expenditure. The new approach is less reliant on traditional *Pareto analysis* and utilises more sophisticated data monitoring information. 15

Summer
During the Summer, the CBI reported that total order books for the manufacturing sector nationally had climbed to their highest levels since August 1988. Export orders also improved to a 22-year high. 16

It was around that time that the PMG heard that it had been awarded a two-year extension of its participation in the *Futureworks Schools Challenge* programme which, during the first period, had seen twelve schools partnered with PMG members to considerable effect. A dozen teachers had undergone a week's work experience on-site at their Partner's premises. My own company were the first to host a week-long placement for Design and Technology teacher, Abi Hunns from Notre Dame Roman Catholic School. Abi was hosted by numerous departments within Pipex px® and was provided with an eye-opening, hands-on experience of our manufacturing process, problem solving and design capabilities. The experience dispelled a lot of her own misconceptions surrounding the manufacturing and engineering sector, and enabled her to return to the classroom armed with practical knowledge which could be applied to lessons and student career advice. Later in the year, we went on to appoint one of Abi's pupils, Jessica Griffiths, as one of our apprentice intake. This was no coincidence. 17

September
September saw the opening of City College Plymouth's Regional Centre of Excellence for STEM. The £13million facility is the greatest investment in skills training in Plymouth for many years and provides a flexible learning environment that simulates 'real work' scenarios with industry-standard workshops, science laboratories and media studios. Earlier in the year, PMG members were consulted on what their needs and expectations would be from the Centre. Reassuringly, the research conducted for the study reaffirmed the College's plans for what was to be delivered on site from the day one. Plus, there were a number of suggestions of short courses and a growing demand for higher and degree level apprenticeships which were particularly popular amongst those businesses that were keen to draw down funds against their 'pot' of levy payments. 18

During her visit to New York in September, the Prime Minister hosted a business roundtable event involving a number of major US investors. These included Vincent A. Forlenza, Chairman and CEO of *Becton, Dickinson and Company (BD)*, the medical technology company, who announced plans to invest £172 million over 4 years to build 8 new manufacturing lines at its site in Roborough, Plymouth, which is estimated to create up to 200 new jobs. During the same month, the *Telegraph* newspaper, reported that luxury super yacht company *Princess Yachts* had almost doubled its order book this year as it embarked on a £100m investment programme. Princess had said that 19

orders following the Cannes Yachting Festival reached a record £640m - 85pc higher than at the same point last year.

Together, that represents over a quarter of a billion pounds in investment for Plymouth.

November

November saw the start of celebrations for the PMG's 40th Anniversary. Early records indicate that a Mr Ron Elliott first acted as Secretary of the PMG in November 1977 and that membership subscriptions of £100 per company were collected in December of that year. There were 25 'founder members' of whom seven are still active although the trading name or ownership of some firms has changed in the intervening period.

These are:

- The Barden Corporation
- Fine Tubes
- Ranco Controls (now Schneider Electric Controls UK)
- The Wrigley Company
- Brown & Sharpe (now Kawasaki Precision Machinery)
- Sperry Gyroscope (now UTC Aerospace Systems) and
- Meddings Machinery

November also saw the Business Secretary, Greg Clark, launch the government's *Industrial Strategy*, setting out a long-term vision for how Britain can build on its economic strengths, address its productivity performance, embrace technological change and boost the earning power of people across the UK. Earlier in the year, the PMG had submitted its views on the Government's Green Paper. We concentrated our submission on the three, so-called 'pillars' of: science, innovation & research; developing skills and upgrading infrastructure. We also called for further devolution of powers to the South West and gave our support to the proposal emerging at the time of a 'Plymouth-Exeter-Torbay High Growth Corridor' which had been suggested by local authority politicians.

Throughout the year, PMG members won a number of prestigious awards, but worthy of special mention is the fact that in November one of the South West's leading metal engineering firms celebrated success on a national scale, having won the Lloyds Bank National Business Awards UK 2017 Employer of the Year award. Alderman Tooling, based at Newnham in Plymouth, was announced the winner at an awards ceremony in London, hosted by the BBC's Naga Munchetty, and featuring Sir Mo Farah as a guest speaker. Over 1,000 companies of all sizes from across the UK entered the awards, with ten companies being shortlisted in the Employer of Year category. Having completed a comprehensive entry submission, all the shortlisted firms gave a presentation to a panel of judges, who selected the winner – Alderman Tooling!

December

The latest estimated figures released in December by the Office for National Statistics (ONS) – shown on the graph here - reveals that Gross Value Added (GVA) from manufacturing in Plymouth rose 5.3% between 2015 and 2016. It now stands at a record £871M. This represents 16.4% of the total Plymouth economy which is valued at £5.3Bn. Amazingly, growth in the sector locally since the Great Recession of 2007 is up a whopping 39%.

We closed the year with The PMG's 2017 Christmas Lecture which was made even more special this year by coinciding with our 40th Anniversary. In front of a record attendance, our guest speaker for the evening was Sir John Parker, Chairman at Laing O'Rourke, and of SW-based Pennon Group Plc. Sir John is someone who has built up an enviable reputation across a range of industrial sectors as a leader in the boardroom, including Chairman at no less than five FTSE100 companies. 25

Sir John delivered an inspiring presentation entitled '*Leadership on an Industrial Journey*'. His talk included a range of topics including: an account of his personal journey starting with his appointment as MD of Austin & Pickersgill, Sunderland; later going on to become Chair and CEO of Harland & Wolff, Belfast and subsequently Babcock International Group.

Some of the most memorable quotes from Sir John during the course of the evening included the following:

'Never under estimate the power you have to change things for the better';

'Always leave things better than you found them';

'None of us is as smart as all of us';

'Do things better tomorrow than we did them today';

'The opportunity of a lifetime must be seized during the lifetime of the opportunity' and

'When the best leaders' work is done, the people said we did it ourselves'.

2018

So, all in all another very busy and successful year. But what of the year ahead?

2018 will see the PMG continue its 40th Anniversary Celebrations with a visit to The House of Commons planned for April and a series of events as we approach the summer months, including a return to our golfing roots. All culminating in a Black-Tie Awards event planned for October. 26

So, a lot to look forward to!

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