

LONDON PRODUCTION INDUSTRIES COMMISSION

PRODUCTION INDUSTRIES IN LONDON – SHAPING THE FUTURE

ANALYSIS OF CONSULTATION RESPONSES

MARCH 2004

1. Background

- 1.1 Production Industries in London – Shaping the Future sets out proposals for building a strong and sustainable production industries sector – in effect a White Paper for manufacturing in London. It was issued by the London Production Industries Commission (LPIC) as a consultation document at the end of October 2003 and circulated widely to businesses, representative organisations and Government Departments. Through consultation its aim has been to secure consensus among key stakeholders on a vision for production industries in London and a strategy and plan of action for how it will be achieved.
- 1.2 The Commission is an independent body comprising senior representatives from manufacturing businesses, the design sector, higher education and the media. Its brief is to make recommendations to the London Development Agency (LDA) on a strategy and plan of action to enhance the sector’s competitiveness and opportunities for growth.

2. Consultation programme

- 2.1 The consultation programme was completed by 31 January 2004, having taken three forms:
- an interview programme with over 100 businesses, carried out by EEF South in Spring 2003. The results of this element of the consultation programme were reflected in the consultation document itself
 - six consultation events with businesses during December 2003 – January 2004 and a seventh event facilitated by the Southern and Eastern Region TUC. A total of 130 people attended the seven events
 - written responses from partner organisations.
- 2.2 In total over 80 responses were received from partners and businesses attending the events through a combination of written/questionnaire replies. Made in London and its sub regional partners, who submitted a written response and who were all actively involved in the consultation events, have active contact with 4,000-5,000 manufacturing businesses. Therefore, the consultation’s ‘reach’ has been quite extensive
- 2.3 In order to make the consultation process as transparent as possible, the LDA and the Commission had already made a commitment to publish an overview of the responses to the consultation document. This will allow respondents to see how their views are reflected, not only in the overall analysis, but also in the strategy and plan of action when they are published in the Spring.

3. Consultation responses: structure of report

- 3.1 The report on the responses to the consultation document comprises three core elements:

- a one page bullet point summary of key messages from the consultation programme
 - an overview of responses to each of the eleven questions posed in the consultation document, with the views of businesses shown separately from those of partner organisations. For most questions a simple statistical analysis of questionnaire respondents' views is also included
 - a statistical analysis of questionnaire respondents' views on the fourteen options for consideration in terms of practical actions that might be taken to enhance current support activities or introduce new forms of support. In their written responses, some partner organisations went through the options, others did not but made clear the degree of priority which they attached to each of the key issues outlined in Section Six of the consultation document.
- 3.2 Appendix One provides details of businesses and partner organisations who contributed to the consultation programme.
- 3.3 This report is also being posted on the [LDA's website](#) and the [London Innovation website](#)
- 4. Next steps**
- 4.1 The Commission has considered carefully the responses to the consultation document. It has now framed its recommendations which will go forward to the LDA Board towards the end of March. Implementation plans will be taken forward directly after that.
- 4.2 A strategy and action plan will be published in the Spring. Prior to that a brief synopsis of the core elements of the strategy and action plan will be made available. A formal launch event will be held later in the year.

SUMMARY

- Intensify efforts to build a knowledge based, high value added sector with a highly skilled workforce. However, more traditional industries are also important, particularly where there is scope to diversify, identify niche opportunities and capitalise on proximity to market.
- Be clear about the overall goal for production industries in a quantifiable sense. Identify success measures by which the strategy's impact can be judged
- Focus primarily on small and medium sized firms. Bear in mind that the latter represents a small group for targeting purposes, the former comprise the lion's share of the stock of manufacturing businesses.
- There are important linkages between different sized firms, notably, through supply chain activities/opportunities.
- A key factor in any plans to work with different target groups will be the extent and nature of demand, a willingness to engage with providers of business support, and a demonstration of the willingness and capacity to implement change and improvement.
- The issues set out in Section Six of the consultation document are critical to the sector's future development, particularly skills and innovation.
- Other important issues are: improving public procurement opportunities, strengthening sales and marketing capability, future/scenario planning. Also, remove the obstacles which manufacturers face - reduce the burden of red tape, legislative and regulatory compliance.
- Focus on helping firms with the potential to grow, irrespective of sub-sector. However, utilise a sub-sectoral approach where it offers real benefits, e.g. presenting services as tailored packages, engaging 'difficult to reach' businesses, sharing good practice. Therefore, take the best from both for maximum impact.
- Maintain public sector intervention but keep it strategic, building businesses' ability to grow, rather than creating sectors that rely on state aid.
- Limiting the number of areas of intervention for the strategy makes sense. In practice, however, the key issues identified are all interlocking. Therefore, prioritisation is not a straightforward proposition.
- Business support certainly needs to be more 'joined up' to improve awareness and understanding, and reduce customer confusion. There is no obvious single solution for how this can be achieved. Build and strengthen on the activities of the London Business Support Network, where possible.
- There is no pressing need for the public sector to adopt a radical new approach. Concentrate on what we've got and make it work, in particular, improving the coherence of service provision.

Question 1

Is the future for production industries in London to intensify efforts to build a knowledge based, high value added sector with a multi/highly skilled workforce?

- 78% of questionnaire respondents answered ‘yes’ to Question 1, emphasising the importance of higher levels of innovation in design, product and process development and skills as critical to improving value added and sustaining competitiveness.
- Many commented on the fact that London’s high cost base left little choice but to move increasingly in this direction. Therefore, to counterbalance this, it would be vital to avert the threat from competition elsewhere in the UK, other parts of Europe and further afield, as well as playing to our strengths, viz:
 - proximity to market, particularly where it is time critical, e.g. food, print, fashion
 - capitalise on London’s design talent and expertise in other areas to help manufacturers to innovate and identify new niche opportunities
- 6% of questionnaire respondents failed to provide an answer and the remaining 16% were either ambivalent or indirect in their response, for example, “the future lies with competently managed firms”.
- Partner organisations were slightly more measured in their responses. Whilst none disagreed with Question 1, a consistent message coming back was that some of our more ‘traditional’ industries, such as food, furniture and clothing have a close degree of fit with London’s strengths and therefore should form part of our overall vision for the future of production industries in London.
- The point was also made that a knowledge based high value added sector needs to avoid too narrow a focus on technology and product; it must encompass, inter alia, a full and detailed knowledge of market, customers, production processes, supply chain, value chain etc.
- An important point was raised in relation to setting out the ultimate aim which we are seeking to achieve for the sector through the strategy. We need to be clear on the overall goal or vision for production industries in a quantifiable, measurable sense and spell this out up front in the strategy. There were mixed views from respondents on the well documented wealth creation versus job creation argument. It was pointed out too that the strategy needs to ensure that it does not lead to a conflict with other areas of policy, particularly those relating to social and economic inclusion. For example, traditional, stable (but non-high growth SMEs) are often a source of employment for low skilled people, ethnic minorities, new immigrants etc.

Question 2

If so, what degree of importance and priority should be attached to the different target groups?

- **the large number of small firms, many of whom have the desire to change but lack the capacity to absorb and effect change**
- **medium sized firms who have historically not been singled out as a focus for business support, but who generally have greater capacity than smaller firms to introduce and manage change**
- **large firms who are significant providers of employment and represent a sizeable customer base for many smaller firms. There are initiatives in place to embed and retain very large employers, in recognition of their importance to the local economy**
- **start-up businesses for whom there is a range of support and who are a key target group in the Government’s enterprise policy**
- **potential inward investors that can bring added value to the economy (both UK and foreign direct investors)**

- 62% of questionnaire respondents felt that SMEs should be a priority for the strategy, with a slight leaning towards medium sized firms, where respondents were prepared and able to make a distinction. Medium sized firms are seen by many as having the potential to make the greatest impact, and likely to have the resources and management skills to drive through change and improvement. Small firms, however, can often respond more quickly, have greater flexibility and are a rich source of new, niche opportunities.
- 12% of respondents felt that large firms should be a priority group (in some cases alongside medium sized firms) because of their capacity for creating economies of scale, their greater propensity to train and their scope to influence Government policy.
- However, those who favoured SMEs as the priority group felt that large firms have the means to look after themselves, they are net shedders of jobs, are more likely to relocate and therefore unlikely to be swayed by support that is on offer. Also, that the level of public sector funding available is unlikely to make a significant impact on them.
- There was limited support for start-ups as a priority group. A number of respondents felt that there is sufficient support for start-ups through other programmes and initiatives. There was concern at high attrition rates and a general view that we cannot expect to see many manufacturing start-ups emerge in the current climate. A similar view emerged in respect of inward investors as regards the likelihood of seeing any significant manufacturing inward investment in the current climate.
- The views of questionnaire respondents need to be tempered to some extent. The profile of respondents will inevitably colour judgements on Question 2. The profile of questionnaire respondents was as follows:

13%	- up to 10 employees
37%	- 11-50 employees
46%	- 51-250 employees
4%	- >250 employees

- Inevitably, neither start-ups nor (potential) inward investors had any representation as such at the consultation events. Therefore, we were reliant on the views of partner organisations in terms of the significance of these groups.
- All London manufacturers employing more than 250 people were written to separately by the Commission Chairman and invited to reply to the consultation document. None responded, from which it has been inferred that they see a production industries strategy for London as neither relevant to them, nor influencing their commercial decision making.
- 22% of questionnaire respondents considered that size of business should not be a determining factor. Commitment to change, investment and upskilling are more important, coupled with the need for external support to help translate this commitment into action.
- Partner organisations submitted some interesting comments in response to Question 2. In overall terms, they favoured prioritisation for SMEs, with a leaning towards medium sized firms for reasons similar to those expressed by questionnaire respondents. Concern was expressed by one partner organisation that a significant proportion of medium sized manufacturers in London are considering relocation out of London completely.
- The supply chain influence of large and medium sized firms was highlighted by a number of partners. Some felt that the inter-dependence of potentially different target groups makes it difficult to segment the market by size.
- The view was expressed that medium sized firms represent a more economic “educational target” as they find it less difficult to release staff members for upskilling purposes (compared with small firms who find it difficult for operational reasons). However, whilst there is evidence to show that medium sized firms are more likely to have the capability and resources to increase turnover and productivity than smaller firms and are more likely to adopt good management and training practices (London Annual Business Survey 2003), they represent a small group for targeting purposes. Manufacturing in London is dominated by firms employing fewer than 10 people (89%).
- The importance of focusing on indigenous businesses came out strongly. However, inward investment should not be overlooked because of the opportunities it can present for local suppliers. Alongside this, investment opportunities arising from Wembley and the Olympic Bid need to be taken into consideration. As regards inward investors, efforts to upskill the workforce, access to London’s design expertise and proximity to market will be as attractive to them as they will be to the existing manufacturing stock.

- One point came out strongly which reflects the practicalities of public sector support for business – a key factor in any plans to work with different target groups will be the extent and nature of demand, a willingness to engage with providers of business support, and a demonstration of the willingness and capacity to implement change and improvement.

Question 3

Are the issues identified above the key challenges which the sector faces and on which the strategy's main objectives should be based?

- 75% of questionnaire respondents agreed that the issues set out in Section Six of the consultation document are the key issues faced by the sector. Many highlighted one or more of these as having the greatest significance – broadly skills and innovation came out as the most important issues.
- Some commented on the linkages between the different issues, stating that, in practice, one or more issues need to be addressed before significant progress could be made with another issue, for example:
 - addressing skills and innovation issues first were key to making an improvement in productivity and in adding value
 - improving the environmental image within which the sector operates (premises, estates) will be essential to improve the sector's overall image for labour market entrants.
- A significant number of respondents emphasised the importance of working closely with schools to raise the sector's profile and image in terms of career opportunities.
- Improving links between the higher education sector and industry, access to finance and support to stimulate international trade opportunities were also highlighted in the consultation document as important issues. A number of respondents picked up on these as having particular significance.
- Responses from partner organisations were broadly consistent with the messages coming back from questionnaire respondents, i.e. the themes in Section Six represent the key issues which the sector faces, alongside the others highlighted by a number of questionnaire respondents. Partner organisations' more detailed responses provided an opportunity to elaborate on the key issues. These need to be looked at alongside comments on the options for consideration in order to make a balanced judgement on appropriate priorities for action.

Productivity/value added

- whilst not underestimating the importance of improving productivity (possibly the symptom of a problem rather than the cause), the focus ought to be on adding value to help improve competitiveness, market share and to identify niche opportunities.

In many respects, identifying opportunities to add value could be wrapped up with activities aimed at stimulating a greater degree of innovation within the sector

Skills

- a range of additional factors should be taken into account in respect of skills and workforce development issues:
 - o the importance of training within the manufacturing environment to offer smaller firms a more flexible solution to skills development
 - o Modern Apprenticeship schemes' lack of tailoring to the real needs of employers
 - o the importance of changing the mindset of employers towards workforce development, at the same time empowering employees so that commitment to skills development can also come from the bottom up; in this respect, the important role that Union Learning Representatives perform was underlined
 - o stimulating a cultural change among employers themselves to address the problem of the deficit in management skills
 - o promote knowledge transfer mechanisms to tackle the demographic problem of an aging workforce, so that the sector does not lose the skills of experienced workers
 - o recognise and act upon the widespread problem of low levels of basic skills
 - o work closely with the emerging Regional Skills Partnership on opportunities to enhance workforce skills through the FRESA Flagship Group for Production Industries (FRESA – Framework for Employment and Skills Action).

Innovation

- partners see innovation as a key area for action but are concerned to see activities associated with it tackled in a way that has real meaning for manufacturers, particularly SMEs. As a catch all term many SMEs do not relate easily to innovation. They may identify more readily with terms such as product development, technological innovation, R and D, process innovation. It needs also to embrace management and workplace innovation. Therefore, whilst the issue should be tackled in its widest sense, it may need to be broken into manageable and understandable blocks to engage effectively with many manufacturers
- there is a significant number of public sector funded initiatives in place at national and regional level to assist with innovation. One partner argued that the aim should be to improve access to these rather than set up new parallel initiatives, for example, SMART, Knowledge Transfer Partnerships, Regional Innovation Funds
- the importance of design in innovation and improving access to London's expertise in this area came out strongly, as did working more closely with higher education institutions and research establishments to improve knowledge transfer mechanisms

Sites and premises

- in addition to the points set out in Section Six, there is the added factor that the high cost of land and premises is encouraging younger members of family businesses to sell up, realise their assets and effectively retire from business
- crime and security are major concerns, including fly tipping and illegal encampments
- the degree of support, empathy and co-operation from local authorities varies considerably across London
- too many shed type premises used for warehousing rather than manufacturing

Image

- attracting young people into the sector is critically important; linking up manufacturing with the national curriculum is a vital component in this respect
- more generally, the sector's image should improve on the back of activities to address the other issues. Valuable work can be done on the sector's image without having to spend large sums of money. However, short term projects (which have been the tendency to date) will not provide the continuity that is needed.

Question 4

Are there any other particularly important issues which need to be taken into consideration?

- Other issues highlighted by questionnaire respondents were a mix of 'external' issues, where further lobbying may be required and 'internal' issues which should be taken into consideration for the strategy itself.
- The two most significant issues in the 'other' category were:
 - reduce the burden of red tape, legislative and regulatory compliance i.e. remove the obstacles, time and cost which prevent manufacturers from concentrating on their core business, "it is difficult to innovate when most of our time is spent on non-productive issues"
 - put more emphasis on public procurement opportunities and ensure that London's manufacturers have the capacity and skills to compete in this sizeable market.
- Other issues highlighted were reducing the burden of taxation and improving the transport infrastructure.

- Responses from partner organisations were broadly consistent here with those of questionnaire respondents. Some additional points were made:
 - the importance of improving sales and marketing capability within production industries requires recognition and effort as a strategic intervention in its own right.
 - foresight and future/scenario planning are weaknesses amongst firms in the sector and should be addressed through specific forms of support.
 - in addition to major regeneration projects, public procurement opportunities should include those linked to developments in the National Health Service.

Question 5

Should the strategy prioritise effort and resources on a sub-sectoral basis? If so, what priority should be given to each of the following and why?:

- **support new and emerging sectors that may represent the future of manufacturing**
- **assist more traditional sectors whose competitive position continues to be eroded but where niche opportunities may exist, e.g. clothing**
- **work with sectors that capitalise on London’s strengths, e.g. design, print.**

Question 6

Should the strategy simply focus on helping manufacturing firms with the potential to grow or diversify, irrespective of sector?

Question 7

Should the public sector support a market-led approach, limiting intervention, if at all, to keeping industry abreast of emerging trends in the sector?

- Questions 5, 6 and 7 were presented in an either/or format. In practice, issues which emerged from the consultation around Questions 5 and 6 made them rather more co-terminous.
- 62% of questionnaire respondents did not favour a sub-sectoral approach to prioritising effort. A further 12% did not express a view. The remaining 26% were fairly evenly split between support for traditional sectors and new/emerging sectors. However, in the former case, some but not all, commented on the importance of helping traditional sectors identify niche opportunities, add value, diversify etc. (There was little comment on the sectors that capitalise on London’s strengths.)
- Conversely, 62% replied that the strategy should focus on helping firms with the potential to grow or diversify, irrespective of sub-sector. A further 9% did not express a view.
- Additional comments here included the difficulty of picking winners by adopting a sectoral approach (but failed perhaps to recognise that identifying businesses with the potential for growth also requires judgements that can be difficult to make!). What was more important for many in this cohort of respondents is a willingness to change, strive towards best practice and to be prepared to act as exemplars for other businesses.
- Innovation emerged again as an important issue for a number of respondents, for example, the idea of an ‘innovation standard’ was mooted, i.e. a non-subjective measure of innovation to reward innovative approaches/performance and to encourage good practice among other businesses.

- In respect of Question 7, many questionnaire respondents did not express a view. However, taking into consideration their response to Questions 5 and 6, it has been inferred that 60% of respondents support an interventionist approach by the public sector. Some made the obvious point that a non-interventionist stance would contradict the messages conveyed in Section Six of the document concerning the key issues which the sector faces. Also, it would put London at a disadvantage vis à vis other regions in the UK and across the rest of Europe.
- Around 14% of respondents felt that the market should be allowed to do its work. Government's intervention should be kept to a minimum, concentrating on stripping out costs that weigh against the sector's competitiveness.
- Other respondents made specific reference to what they felt the public sector role should be. These included:
 - facilitate good practice sharing
 - stimulate public procurement opportunities
 - release land for industrial development
 - demonstrate clearly that the public sector values manufacturing to help address the image problem
 - intelligent interaction with the private sector to ensure support is complementary.
- Partner organisations felt more strongly about the links between Questions 5 and 6 and the need to balance the two. A number of partners argued the merits of an approach that combines elements of a sub-sectoral approach and being sufficiently flexible to support growing firms, irrespective of sub-sector.
- Examples of sub-sectoral initiatives that have proved beneficial include those aimed at the food, clothing and furniture sectors. Benefits arising include identification of niche opportunities, diversification and improved supply chain linkages.
- In addition, it was argued that segmentation by sub-sector can assist in the effective engagement of firms to increase take up of support. Services can be tailored and presented in a way that is directly relevant to specific sub-sectors and more likely to appeal to them. For example, the print sector has access to a strategically linked industry alliance with its own sub regional structure. Vision in Print addresses productivity and competitiveness issues, the Print Education Forum (previously an NTO) education and training issues and the British Printing Industries Federation representation and partnership. Together, they are the major business support provider for the print sector and are committed to driving forward a strategic plan to enhance the sector's competitiveness and performance.
- Partners also pointed to the inherent risks in the public sector trying to select winners and losers amongst London's manufacturing base. Focusing on areas of market failure would be a much more sensible role for the public sector. Some argued that it is important to identify a means of intervention that is beneficial to production industries regardless of sub-sector, based on universal themes and requirements appropriate to all sub-sectors, such as process improvement, skills, automation, technological application etc. The 13 established DTI industry forums were cited as an example of how different

sub-sectors are tackling some of the issues in Section Six of the document, for example, benchmarking, good practice sharing.

- It was acknowledged that supporting nascent firms and technologies is harder than supporting established ones and, inherently, carries higher risks. It is likely that further research and significant investment will be required over a sustained period of time to understand these sectors and their potential.
- Partners cited specific examples of how working with sectors that capitalise on London's strengths can present further opportunities to enhance the sector's competitive position and future potential. For example, the Olympic Bid (food, furniture), the purchasing requirements of the NHS, education sector, local authorities (printing, clothing). Also, integrating more fully London's design expertise and cluster of academic and research capability will be critical to capitalising on the region's strengths.
- Wider issues which need to be taken into consideration were highlighted as a factor in prioritisation, for example, the extent to which specific sub-sectors (or individual firms) are able to provide pathways to employment opportunities in areas of deprivation and those that are a focus for regeneration.
- In overall terms, partners supported public sector intervention (Question 7), pointing to the track record of competitor economies in this respect and the danger of slipping further behind if a more non-interventionist stance is adopted. However, the intervention must be strategic, building businesses' ability to grow, rather than creating sectors that rely on state aid.

Question 8

Looking at the options for consideration which follows:

- **does it make sense to tackle a small number of these on a substantive basis where there is scope to achieve real impact?**
- **if so, which options should be the priorities for action and why?**

- Question 8 is linked directly to the options for consideration set out in the questionnaire and in Section Two of the document. 63% of questionnaire respondents certainly felt that it makes sense to take forward a small number of sector support activities on a substantive basis in order to maximise impact.
- However, in practice, when it came to looking at the options for consideration, many questionnaire respondents could see the merits of tackling at least 50% or more of them, not taking into account views they had on other issues/priority actions which also merited attention.
- In many cases, preferred options were spread right across the five key themes/issues – a reflection in all likelihood of the inter-relationship between the themes.

- In the majority of cases partner organisations did not go through the tick box exercise relating to the options for consideration. Instead, they either commented on each in turn or limited themselves to commenting broadly on the relative importance of the key themes. A number of partners certainly felt that it makes sense to focus on a limited number of activities rather than seek to undertake too much and, as a result, end up allocating resources too thinly. However, prioritising the activities would be a difficult task.
- The argument was also put forward that limiting intervention to a few areas will not work because of the interlocking nature of the issues which the sector faces as well as the options for addressing them. What is needed therefore is a total package of support that can tackle identified weaknesses, with complementary funding levered in from other Government sources, where appropriate. This would allow LDA funding to be targeted at those crucial areas where there is a gap in provision, or where current provision does not meet demand, is not attractive, or is confused and fragmented.

Question 9

Are there other priority actions which need to be taken into consideration and what important issues(s) will they address?

- Responses to Question 9 have been incorporated with those under Question 4.

Question 10

How can delivery of support services to the sector be made more coherent and accessible?

- Question 10 proved to be a particularly tricky issue to address in the consultation. There was a general consensus among questionnaire respondents that business support needs to be more joined-up to improve awareness and understanding, overcome fragmentation in delivery and reduce customer confusion. 73% of questionnaire respondents commented specifically to this effect, the remaining 27% either did not express a view or found it too difficult to comment.
- However, a range of different views were expressed on how this might be achieved, with no single view emerging as a clear favourite. These included:
 - more effective use of web-based technology
 - more proactive, face to face contact, albeit that it is a more expensive proposition
 - one central co-ordinating body that can act as a one stop shop
 - a hub and spoke arrangement for access to services

- channel support through local organisations/networks working on the ground - they understand manufacturing and are able to engage effectively with the sector
 - a reduction in the number of agencies to reduce the amount of money devoted to running the provider network and thereby increase the amount of funding that actually reaches the customer
 - ensure support is channelled through organisations that are not totally reliant on public sector funding
 - work more closely with sectoral bodies, where the sector has a major presence in London.
- Partner organisations were broadly in agreement with questionnaire respondents that arrangements for delivery of support services need to be simplified, made more transparent and accessible, and more customer-friendly. It is clear that partners are as concerned as manufacturers about the need for improvement in this respect. However, a diverse range of views emerged again on how this might be achieved, with no single view emerging as a clear favourite. If anything, a wider set of comments were made by partners, as they are more acutely aware of the complexities involved in reshaping the crowded landscape of public sector funded support. Conversely, some partners offered no comment at all on Question 10.
- As regards funding arrangements, concerns were expressed about the number of different funding sources, their complexity in terms of conflicting objectives, funding conditions, their short-termism, the loss of continuity as funding from one source dries up and has to be replaced by another, with the inevitable impact on effectiveness of service delivery; the need for bigger programmes to overcome the piecemeal, fragmented nature of support. It was argued that consideration should be given to the appointment of a single co-ordinating delivery body, working alongside or within the LDA and with the involvement of other key funding and policy making agencies, with true control over funds and delivery routes.
- Further views were expressed on the LDA's possible role:
- consolidate business support activity so that there are fewer, larger programmes tailored more to meet employers' needs
 - utilise the resources of its business team, acting as an initial point of contact, representing the public sector to the client and managing this relationship
- Sectoral bodies with established channels to market were seen as having a valuable role to play, particularly in reaching those sectors which other organisations find difficult to penetrate.
- A range of options were put forward to make service delivery more customer-friendly and joined-up:
- allocate a Key Account Manager to each firm/area as the principal point of contact – a generalist who would co-ordinate the appropriate specialists to provide the support needed (operationally much like Business Link)

- collaborate more with member based organisations such as Chambers of Commerce to engage and work with businesses
- A number of partner organisations argued that it is important to work within existing delivery mechanisms, where they have proved to be effective; strengthen and tailor them, where appropriate, to meet the needs of manufacturers and make cross referral arrangements more robust in order to improve take up of support services.
- Whilst the aim of rationalising products and services through a single ‘agency’ might seem a natural reaction, in practice, businesses pick and choose a provider based on a range of issues, including accessibility, depth of specialist knowledge, and its ability to refer to other agencies etc. A ‘one style fits all’ approach is unlikely to work and a more rigorous approach to clearer and transparent services would make more sense.
- These partners felt that plans to make services more coherent and accessible should be tackled via the London Business Support Network which is already in touch with a large number of manufacturing businesses.
- In terms of branding issues, as MAS is the DTI’s chosen brand for delivery of support services to manufacturers, consideration should be given to a review of the service in London – to determine whether it is appropriate to strengthen the brand and incorporate more services so it becomes the principal route to support and information for SMEs in the sector.
- As regards the provision of information, it will be important to develop an effective means of disseminating information on **all** available support services via an accessible and up to date mechanism, available to all client facing support organisations, as well as businesses.

Question 11

To what extent should a radical new approach to provision of support be developed, as outlined at 2.18-2.21?

- There was no strong measure of support among questionnaire respondents on the value of the public sector adopting a radical new approach to the provision of support. 38% were either against the idea or did not express a view. Where views were expressed, it was argued that less public sector involvement makes sense to avoid adding to the confusion which already exists.
- A further 20% argued that any new approaches should concentrate on addressing the issues associated with Question 10 – that would be sufficiently radical for the public sector!
- 16% of respondents favoured the idea of a more radical approach but most offered no clues as to what this might look like. Only three respondents favoured looking in more detail at the ideas outlined at 2.18-2.21 in the document. A small percentage of

respondents favoured the idea of the public sector developing new and enhanced ways to improve access to finance and increase investment opportunities.

- Partner organisations' views on Question 11 broadly mirrored those of questionnaire respondents.

Options for consideration

The options for consideration put forward a menu of possible actions to enhance current support activities and introduce new forms of support where there are recognised gaps or weaknesses.

The aim was **not** to prescribe solutions to consultees, but rather to assess the overall importance attached to the key issues set out in Section 6 of the consultation and around which the options for consideration were framed. Therefore priority actions that are subsequently taken forward under the strategy are not confined to those which were set out in the consultation document, nor necessarily in the form in which they were described. It is recognised that there may be more effective ways to achieve the same end.

Respondents made detailed comments on the options, in addition to stating their preferences. The main thrust of these comments are drawn out in the narrative under Questions 3 and 4 (key issues) and are not repeated here.

Virtually all questionnaire respondents completed the options tick box exercise. In their responses, some partner organisations also went through the options one by one, others did not but made clear the degree of priority which they attached to each of the key issues outlined in Section Six of the consultation document.

Table One provides a summary of proposed priorities for action identified by questionnaire respondents. These are set out in order of importance.

Table One

OPTIONS FOR CONSIDERATION : QUESTIONNAIRE RESPONDENTS

Rank	Option	Key issue/ theme	% of respondents indicating support
1	No. 3: Develop/support culture of innovation	Innovation	59
2	No. 6: Management/workforce development support	Skills	52
3	No. 8: Strengthen Modern Apprenticeship provision	Skills	48
4	No. 7: Create centres of managerial and vocational excellence	Skills	46
5=	No. 1: Lean enterprise support	Productivity/ value added	45
5=	No. 11: Enhance estates renewal activities	Infrastructure – sites/premises	45
7=	No. 13: Co-ordinated image campaign for London	Image	41

7=	No. 2: Strengthen MAS best practice activities	Productivity/ value added	41
9	No. 5: Greater innovation in public sector support	Innovation	34
10	No. 12: Sector champions	Image	32
11=	No. 4: Diagnostics support for growth businesses	Innovation	30
11=	No. 9: Develop stronger focal points (clusters etc.)	Innovation	30
13	No. 10: Develop infrastructure to support emerging industries	Infrastructure – sites/premises	18
14	No. 14: Docusoap	Image	16

Working with manufacturers to help them to develop and implement new/enhanced products and processes and adopt more innovative working practices across all areas of the business is considered to be the most important of the options for consideration. However, as Table One demonstrates, the other options shown under the theme of innovation did not command such widespread support, for reasons that have been outlined in the analysis of the responses to the eleven consultation questions.

In overall terms, skills/workforce development issues are arguably the most important area for action, confirmed by the 2nd, 3rd and 4th rankings for the options for consideration under this theme. Also, activities aimed at the education sector to improve young people’s knowledge and understanding of the sector are viewed as forming part of this agenda, i.e. nurturing the skills of tomorrow’s workforce. In this respect, a number of respondents made a distinction between possible actions under option 13 ‘create a single, co-ordinated and ongoing campaign for London with its own brand identity’. There was more support for enhancing current programmes aimed at fostering links between businesses, schools, colleges etc. rather than introduce a branded image enhancing campaign for London.

Responses from partner organisations mirrored very closely those of questionnaire respondents. Activities associated with enhancing skills and stimulating innovation are considered to have the highest priority (with little or no distinction between the two in terms of their importance for the strategy).

These are followed by activities associated with enhancing productivity (lean, MAS best practice) and improving the provision of premises/estates renewal. Again, there is little or no difference between these in terms of their importance.

February 2004

APPENDIX ONE

LONDON PRODUCTION INDUSTRIES COMMISSION

LIST OF CONSULTATION RESPONDENTS

i) Written responses to the consultation document were received from:

- British Printing Industries Federation
- Brunel University, Department of Design and Systems Engineering
- Business Link for London
- CH.com, Biggin Hill
- City Fringe Partnership
- EEF South
- Forum London (London jewellery industry and allied trades element)
- Greater London Authority, Economic and Business Policy, Mayor's Office
- Jerrard Bros. PLC, Croydon
- Jobcentre Plus
- Learning and Skills Council East
- London College of Communication (formerly London College of Printing)
- London Development Agency Creative Sectors Team
- London First Centre
- London Manufacturing Advisory Service
- Made in London partners
- New Technology Institute, Dagenham (part of the Centre for Engineering and Manufacturing Excellence)
- Southern and Eastern Region TUC
- South London Partnership
- Vision in Print
- Voith Turbo Ltd., Croydon
- Wandsworth Council

ii) Questionnaire respondents

55 Questionnaire responses were received. 76% of these were from manufacturers, the remaining 24% from partner organisations. Summary details of manufacturer respondents are as follows:

• **Sub regional profile**

South	-	34%
Thames Gateway/East	-	24%
Central	-	20%
West	-	15%
North	-	7%
		100%

• **Size band of manufacturers**

Micro (up to 10 employees)	-	13%
Small (11-50 employees)	-	37%
Medium (51-250 employees)	-	46%
Large (>250 employees)	-	4%
		100%

Questionnaires on the consultation document were completed by:

Company name	Business description	London Borough
Abbey Quilting Ltd	Textiles	Barking/Dagenham
Antalis Envelopes Ltd	Stationery	Barking/Dagenham
Blueline Office Furniture	Furniture	Barking/Dagenham
Caroline Parkes Bridal Design	Bridal gowns	Merton
Centronic Ltd	Sensors/detectors	Croydon
Chrisanne Ltd	Dancewear couture	Merton
Colour Five Ltd	Printing	Brent
Columbia Metals Ltd	Non ferrous metal stockholders	Southwark
Combined Packaging Solutions	Packaging	Merton
Deans Blinds and Awnings	Blinds/awnings	Wandsworth
Diamond Build PLC	General contractors for associated production industries	Haringey
Direct Image Systems and Communications Ltd	Printing and contract publishing	Hackney

Company name	Business description	London Borough
Firemaster Extinguisher Ltd	Fire extinguishers	Lewisham
Fisher Research Ltd	Cleaning chemicals	Enfield
Hunter Plastics	Plastics	Greenwich
Jerrard Bros PLC	Lighting	Croydon
Lynplan	Soft furnishings	Croydon
MBA Costumes Ltd	Costumiers and embroiderers	Camden
Mirafield Graphics	Digital print and exhibition graphics	Greenwich
Nelsonbach	Health products	Merton
Penatube Ltd	Plastics moulding	Havering
Performance Chemicals	Chemical blenders and formulators	Bexley
P. C. Werth Ltd	Hearing devices	Wandsworth
Primal Soup Ltd	Food	Ealing
Purchase Engineering Ltd	CNC production machinery	Harrow
R. Holt and Co. Ltd	Jewellery sector	Camden
Roger Lascelles Clocks Ltd	Clocks	Wandsworth
Saft Power Systems	Power supply systems	Redbridge
Shelley Engineering	Metal	Merton
Sight	Surgical instruments	Croydon
SLE Ltd	Medical equipment	Croydon
Smiths Aerospace	Military equipment	Croydon
Stewart Company	Plastic garden/houseware products	Croydon
Stoneham PLC	Kitchen furniture	Bexley
Thales Acoustics	Military communication equipment	Harrow
Tradewinds	Printing	Southwark
Turney Turbines Ltd	Water pumps	Harrow
Turnwright Ltd	Hospital ward equipment	Barking/Dagenham
Voith Turbo	Engineering	Croydon
Wallace Instruments	Instruments and test equipment	Croydon/Kingston
West Alloy	Locks, hinges etc. for off road and leisure vehicles	Merton
Zotefoams	Plastics (foam)	Sutton

Company name	Business description	London Borough
Partner organisations		
Business Link Business Advisor (David Briggs)	Business support	West
Cliff Harcastle (CH.com)		Bromley
Cockpit Arts	Workspace provider	Camden
Fuchs Lubritech	Lubricants	Enfield
Hatton Garden Jewellery Centre Partnership	Business support of jewellery sector	Camden
ISTC	Trade Union	
Mill Lane Envelopes Ltd	Direct mail envelopes	Croydon
Park Royal Partnership	Business support	West
Partnership for Profit	Business development	Outside London
Southern and Eastern Region TUC	Trades Union Congress	
University of East London	Higher education	Newham
Wandsworth Council, Economic Development Office	Local authority	Central
West London Business	Sub regional economic partnership	West

iii) EEF South consultation respondents (Spring 2003)

Company name	Business description	London Region
AA Clothing	Clothing	North
ACP Frames	Clothing	East
AKA Design	High	North
Aldridge Print Group	Print	South
Alfred Terry Jewellers	Jewellery	North
All Bike Engineering	General	South
American Muffin	Food	West
Antony Brand Printing	Print	West
Apollo Snacks	Food	North
Avilion	Furniture	East

Company name	Business description	London Region
Baker Self Adhesive Labels	Print	North
Blissett Bookbinders	Print	West
Bovince Ltd	Print	East
Brownell	High	West
Carfax	Print	South
Carlton Offset	Print	South
Cassia	FMCG	North
Castle Consortium	Clothing	East
Chrisanne	Clothing	South
Circadia	Food	South
Circaroma	FMCG	North
Chromalox	Gen	South
Contactum	Con	West
Cope and Timmins	Furniture	North
Copyprint	Print	South
CPI Global	Print	North
Decra	Con	East
Diamond Clothing	Clothing	West
Direct Image	Print	North
Disc Array	FMCG	North
E&S Churchill	Furniture	North
EMR Silverthorn	General	West
Endoscopic London	General	West
European Bakeries	Food	South
Farsound	Aero	East
Fisher Research	Chemicals	North
Foodafayre	Food	North
From Greenwich	Food	South
Fuchs Lubritech	Chemicals	North
FV Johnson	Furniture	East

Company name	Business description	London Region
Garrods of Barking	General	East
Gloria Fashions	Clothing	East
GOL	General	North
Greenaways	Print	South
GR Wright and Sons	Food	North
HAES Systems	General	West
Harvey Container	FMCG	North
Hilo	General	South
Instrument Glasses	High	North
J.W. Cooper and Sons	General	North
Kevin Stamper Furniture	Furniture	South
Kolak Snack Foods	Food	West
Koyonathan	Clothing	West
La Maison des Sorbets	Food	West
Leah Leisurewear	Clothing	South
Leana-Richfield Fashion	Clothing	North
Lewden Electrical	Aero	East
Lynplan	Furniture	South
Marasus	Food	West
Mediterranean	Food	West
Minuteman Press	Print	West
Mirafield Graphics	Print	South
Monument Tools	General	South
Newton Equipment	Auto	East
Norman Pendred	Food	South
Nouvelle	Clothing	East
On Beck	General	North
One-Call Furniture	Furniture	East
Optical Products	General	East
Oriental Foods	Food	West

Company name	Business description	London Region
Pagentry Electronic Systems	High	South
Park Communications	Print	East
PEP Ltd	Auto	North
Penature Ltd	Chemicals	East
Pencastle	Chemicals	West
Photobex	Print	West
PJ Print	Print	West
Port Royal Patties	Food	West
Printwell	Print	South
Raj Foods	General	West
RELI	FMCG	South
Richard Edward	Print	South
RITEC	Chemicals	North
Royal London Society for the Blind	General	West
Rushton Bros.	Furniture	East
South London Export Club	General	South
Square Pie Co.	Food	East
Steel Storage	General	West
Swift Engineering	General	East
Target Plastics	Chemicals	South
Tenable Screw Co.	General	South
Tilona UK Ltd.	Chemicals	East
Trimite	Chemicals	West
Tyco	High	East
Unimatic	High	West
VC Saunders	Auto	South
Ward Lester	FMCG	North
Whitehead Precision Engineering	Chemicals	East
W&M Joyce Engineers Ltd	General	West

Company name	Business description	London Region
Wilson (Sloane St) Ltd	Food	South
Windmill Sofas	Furniture	North
Zotefoams	Plastics (foam)	South