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Press Release

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Boost for UK High Value Manufacturing with additional government support announced in the Autumn Statement

Today, Chancellor George Osborne announced additional government support for the High Value Manufacturing Catapult, to help manufacturing businesses turn their good ideas into viable commercial applications which can be produced in this country. The High Value Manufacturing Catapult comprises seven elite technology and innovation centres throughout the country. Today's announcement means £61m additional government investment will be made to provide the High Value Manufacturing Catapult with the capability to reach out to a wider reach of manufacturing sectors and to engage more Smaller and Medium sized manufacturing businesses.

In addition, the Chancellor announced £28m investment for the creation of a National Formulation Centre within the High Value Manufacturing Catapult's Centre for Process Innovation in the North East of England. The centre will develop a globally unique capability that will develop and deliver the next generation of formulated products across a wide range of markets, such as food, pharmaceuticals, coatings, oil, lubricants and FMCG. It will help to increase the UK's share of a growing global market by accelerating product and process innovation.

UK manufacturing has seen promising growth over the last few years, and this is widely recognised as a strong contributor to the relatively robust performance of the UK's economy. Historically, the UK has always been strong at early stage Research, but has often seen the commercial benefit of its inventions and innovations go overseas. The High Value Manufacturing Catapult – which is part of the UK Government's Catapult programme - bridges the gap between business, academia, research and government, helping to turn great ideas into reality.

Dick Elsy, Chief Executive of the High Value Manufacturing Catapult, said: "This is an extremely welcome announcement, which sends a key message to manufacturing businesses in the UK."

"UK Government takes manufacturing very seriously and recognises the importance of strategic long term investment. Many of our competitor countries have a longer tradition of investing in applied R&D in manufacturing. Yet, in our 3 years of existence, we have developed such a strong track record, that many overseas governments now use us as a benchmark of success."

“In 13/14, we undertook 1,012 projects which involved 1,515 private sector companies. A number of these are large global manufacturers, but we have also engaged with over 1,500 SMEs in that period.”

“This additional investment will enable us to build on the advantage we have already created. In particular, it will allow us to work with more small and medium sized businesses, helping them to enter or grow in the supply chains and helping them thrive and produce in this country. In addition, we can broaden our work with sectors which have hitherto not worked intensely with the High Value Manufacturing Catapult, such as food manufacturing.”

Bob Gilbert, Chair of the High Value Manufacturing Catapult, said: “We have been set the challenge by government to generate our income from three sources in equal measure. UK Government’s core funding from Innovate UK, competitively won R&D projects which often contain a mix of funding, and straight income from commercial industry clients.”

“In 13/14, we significantly over-delivered against the funding model, with 45% of our income coming from Industry. That is solid evidence that we deliver what UK industry wants and needs, and companies are willing to pay for the quality they receive. Our services take some of the risk out of innovation, thus encouraging businesses to stay at the cutting edge for the benefit of the UK economy. “

Iain Gray, Chief Executive of Innovate UK, said: “The extra core funding and capital investment announced today by the Chancellor for the High Value Manufacturing Catapult is a significant endorsement of the contribution Catapults are making to growth in the UK. As the first Catapult to be established, the High Value Manufacturing Catapult has been successfully running at capacity – the additional core funding will allow it to deepen its engagement with business, particularly small businesses. This additional funding, coupled to the establishment of a new National Formulation Centre, will enhance its capacity to be at the forefront of technological innovation and provide the very best facilities and expertise in cutting-edge manufacturing.”

Business Secretary Vince Cable said:

“This multi-million pound investment in the High Value Manufacturing Catapult will drive innovation and growth across our manufacturing sector where the UK is a world-leader. It will safeguard the UK supply chain, and allow us to capitalise on the huge potential of the UK’s research and development capabilities. This will keep our UK businesses ahead of the game.”

“Through the UK government’s industrial strategy we are future-proofing our manufacturing sector in bringing new innovations to market. We are providing the right environment to give businesses the confidence to invest and create high skilled jobs”.

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Notes to editors

About the High Value Manufacturing (HVM) Catapult

- The HVM Catapult was established in 2011 by UK Government through Innovate UK - which was then called the Technology Strategy Board. The High Value Manufacturing Catapult is the catalyst for the future growth and success of manufacturing in the UK. We help accelerate new concepts to commercial reality to create a sustainable high value manufacturing future for this country.
- The High Value Manufacturing Catapult's ultimate aim is to more than double the contribution of the manufacturing sector to the UK economy. The HVM Catapult forms part of the Innovate UK's Catapult programme, which has established Catapult Centres around areas with great market potential, and where the UK has inherent strengths, Catapults will open up global opportunities for the UK and generate economic growth for the future. To date, there are seven Catapults, with two more announced to open in 2015 and a government target of 30 Catapults in the UK by 2030.
- The HVM has seven Centres throughout the UK. They collectively have capability which spans basic raw materials through to high integrity product assembly processes, provide companies with access to world class facilities and manufacturing equipment generally out of reach to individual companies, employ over 1,250 scientists, engineers and technicians to provide at elbow support to companies and unite industry, government and research in a shared goal to make the UK an attractive place to invest in manufacturing.
- The seven HVM centres are:
 - Advanced Forming Research Centre (Glasgow)
 - Advanced Manufacturing Research Centre (Sheffield)
 - Centre for Process Innovation (Wilton & Sedgefield)
 - Manufacturing Technology Centre (Ansty, Rugby)
 - National Composites Centre (Bristol)
 - Nuclear Advanced Manufacturing Research Centre (Sheffield)
 - Warwick Manufacturing Group (Coventry)
- With an innovation order book of in excess of £218 million, industry demand for the services of the HVM Catapult is clearly strong.
- Innovate UK is the new name for the Technology Strategy Board – the UK's innovation agency. Taking a new idea to market is a challenge. Innovate UK funds, supports and connects innovative businesses through a unique mix of people and programmes to accelerate sustainable economic growth. For further information visit www.innovateuk.org.

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