



Minutes of the Automotive Council 18 November 2010

BIS Conference Centre, 1 Victoria Street, London, SW1

Attendees:

Richard Parry-Jones (Chair)	Vince Cable, BIS
Gordon Murray (Deputy Chair)	Mark Prisk, BIS
Barry Dodd, GSM Group	Jane Whewell, BIS
Paul Everitt, SMMT	Andrew Levi, UKTI
Peter Fouquet, Bosch	Michael Hurwitz, OLEV
Joe Greenwell, Ford	Robert Lonnon, BIS Secretariat
Jerry Hardcastle, Nissan	
Jürgen Hedrich, BMW	
David Keene, Niche Vehicles Group	
John Miles, ARUP	
Andrea Paver, Leyland Trucks	
Graham Smith, Toyota	
Ralf Speth, JLR	
Nigel Stein, GKN	

Apologies:

Jonathan Carling, Aston Martin
Brian Collins, DfT/BIS
Iain Gray, TSB
Gwenne Henricks, Caterpillar/Perkins
Trevor Mann, Nissan
Franz-Josef Paefgen, Bentley
Bill Parfitt, GM

Agenda Item 0.1: Chair's Introduction

Richard Parry-Jones opened the meeting and thanked members for attending. He advised that Bill Parfitt had regretfully given notice of standing down as Supply Chain Group Chair at year end due to changes in his business commitments and thanked him in absentia for his great contributions to the Supply Chain Group Council. The Chair also reported that the Heavy Commercial Vehicles presentation would be deferred.

He noted that a considerable numbers of papers were being submitted late, and not always prior-agreed with colleagues participating in the workstream. He stipulated for future meetings, that any agreed papers not received by the Secretariat one week in advance would be withdrawn from the agenda.

Agenda Item 0.3: Chair's Review of 2010 and 2011 Challenges

The Chair summarised 2010, noting the positive recognition the Council had received from the new Administration, together with strong support provided from Ministers. The success of his joint attendance with Business Minister Mark Prisk at the Paris Motor Show, promoting the UK as a good location for business investment was noted. The messages were delivered at meetings with OEMs and the Tier 1

companies as potential UK investors, and further enhanced attending the CLEPA Board meeting, a significant first by any EU Government Minister.

The Chair remarked on the significant momentum that had been built in the Supply and Technology Groups, and welcomed the work on the Sourcing Roadmap which would become a key deliverable; the work on Manufacturing Readiness Levels as an output; Technology Roadmap work; the developing Communications strategy and plans for further Ministerial engagement overseas. From this good work, undertaken by all in the Council, the key in 2011 was being able to identify clear measurables for our objectives, in order to demonstrate to Ministers and to foreign observers, the UK was delivering and the Automotive Council was making a real difference.

Agenda Item 6 [brought forward]: Intelligent Transport Systems

The Chair introduced this item and invited **John Miles** to present paper AC181110/06 Intelligent Mobility.

During the discussions, the following points were made:

- The Report suggested a BIS/DfT summit on Intelligent Transport, and for one to be held on an annual basis to establish a benchmark point and thereafter to assess progress and associated opportunities to harness the potential. DfT should consider a review of the policy landscape with BIS and wider involvement of stakeholders such as the telecoms industry and transport KTNs was seen as vital.
- The UK was unlikely to be able to withstand or afford continuous infrastructure expansion to cope with growing traffic densities. There was a need to research the footprint size (vehicle size) and impacts to traffic flow and congestion from work undertaken in Japan which could inform an approach.
- Intelligent transport has a wide range of applications ranging from agricultural through to intelligent control systems. Technology and development was fragmented and convergence was a recognised need.
- The biggest issues arising were nationally based; there was no national forum coordinating this development and therefore the market needed intervention to provide the mechanisms to create supply and demand cycles to trigger the right development and growth. This was important as the UK had some technology leadership here that could be significantly exploited. **[Action 1: BIS to consult DfT officials on likelihood/timing of further HMG action/policy development in this area].**

Agenda Item 0.2 Secretary of State Address to Full Council

SoS expressed his pleasure at being present on the Council's first birthday and thanked all Members for their support and considerable contributions to the work of the Council. SoS commented that the Automotive Council had not only secured UK interest but was also getting recognised in Europe for the positive agendas and activities being pursued and the Technology Road Mapping work undertaken. The good start of the Council was providing a best practice model for others to follow: witness that the Chemicals, Construction and Creative industries were all considering following an Automotive Council model.

Agenda Item 1: Supply Chain Sourcing Roadmap

The Chair invited **Dr. Matthias Holweg** to present paper AC181110/01 Supply Chain Sourcing Roadmap noting these were initial findings.

During discussion the following points were made:

- There was acknowledgement of the significant contributions to this work provided by the sector, BIS and SMMT
- The work was welcomed as a key initiative for strengthening UK supply chain capability, and for achieving a stronger Supply Chain to reverse past hollowing out and the impacts of the economic downturn.
- One reason for UK companies being successful in securing contracts is through logistics proximity. There was wide agreement that uncompetitive unit costs was a key problem. Suppliers may not be good at promoting the advantages (eg. lower logistics cost and better/more responsive service) of local sourcing and may need help to express these savings better. Further analysis might also be needed to determine whether there were deeper factors driving up unit cost. **[Action 2: SCG to identify and provide case studies of both successful and unsuccessful tendering to help suppliers 'make their case' better on unit cost].**
- Where new technologies were concerned, the low volume of today could be the mass volume tomorrow and the UK needed to be well positioned to seize this opportunity.
- The Chair saw the promotion of this work as important. We needed now, a programme of work to implement these findings, including 'Meet the buyer events' and consideration of export opportunities.
- The Chair stated the report needed to be promoted at publication including through the Auto Council and other websites and relevant trade journals, and that education and communication within sector were vital. **[Action 3: Supply Chain Group to develop an implementation Programme to seize the opportunities presented by the Supply Chain Sourcing Roadmap]**
[Action 4: Supply Chain Group to do further analysis of survey findings on unit cost barriers].

The Chair welcomed Minister Mark Prisk to the meeting.

Agenda Item 3: Technology Group (TG) Update

Chair invited TG Chair Jerry Hardcastle to update Council.

During the discussions the following points were made:

- The Commercial Vehicle and Off Road Technology Roadmap: Nearing completion. . Further to publication, a piece of research might be needed. . **[Action 5: BIS to discuss research project with TG Chair].**
- Academic Funding and Partnerships; Discussions covered Technology Innovation Centres (TIC's) bids and TSB responsibilities. The Automotive Council's findings needed to be taken into account in the. Consideration was being given to various models, and particularly a hub and spoke concept, to improve the efficiency and outputs of academic research, but this needed further work. TG were seen as better placed than many others to feed into the process.
- OEMs tended to select universities for outsourced research on the renown of the professor or their proximity to a plant. As a result, UK academic centres of excellence may not trigger the expected interest at international level.
- The Chair stated it was important to retain some competitive elements to keep research fresh. A further opportunity centred around how universities project and promote themselves to OEMs, and clearer pathways would be of mutual benefit. **[Action 6: TG to identify and write up case studies of good and bad experiences on industry/University engagement].**
- The TRL paper AC 181103/03 was endorsed and agreed that it would be attributed to the author and workstream. It would be placed on the Automotive Council and other websites and be promoted more widely. **[Action 7: TG / BIS to implement].**

Agenda Item 2: Supply Chain (Chair Bill Parfitt)

The Chair invited Paul Everitt to update Council in Bill's absence.

During the discussions the following points were made:

- The Chair stated that it was important to keep the work tightly focussed, to ensure a comprehensive implementation plan was developed and to ensure that all parties, Technology Group, BIS, UKTI and SMMT were coordinated.
- Crucial to ensure that learning and outputs from this work were refined and rolled into future strategy.
- Members supported a Low Carbon 'meet the buyer' event to include the breaking technologies as noted earlier.

Agenda Item 4: Communication Strategy Paul Everitt

The Chair called on Paul Everitt to present the Communications Strategy Paper. AC181110/05.

During the discussions the following points were made:

- The Minister noted the good work undertaken in developing the website and with further events planned, this provided a great opportunity for the sector to share information on careers opportunities, jobs, and the academic routes that could lead to qualifications to provide students with means to develop themselves into successful engineers.
- The Minister further noted the excellent community working OEM's /T1's undertook, but considered it would have greater national impact if these initiatives were identified as being part of a wider whole, brigaded together as a sector, and launched via a simple synchronised event across a particular week.
- The Minister commented on the positive feedback received from the Paris Motor Show and signalled interest in developing this approach in the coming year with further overseas visits possible.
- The Chair thanked SMMT for their considerable support in developing and delivering on the Communications Strategy, but more to do.
- Priorities are; making the E-newsletter more powerful; wider promotion of the sector; seek more targeted interventions with students, and particularly teachers where sector knowledge was often low.

The Chair saw a need for greater financial investment in promotion of the sector, with support perhaps from UKTI, who might hold a potential budget to cover aspects of international promotion, with analysis tools for assessing markets. Chair noted that whilst much activity took place, it was often fragmented, and collectively, it could be greater than the sum of its parts.

As ever, the Sector was stronger together, but Chair had doubts whether enough was being done. **[Action 8: SMMT to identify an approach to brigade existing international activities by members eg. in India/China to promote the UK better at key events and in key markets] - [Action 9: SMMT / BIS to develop an approach to promote careers, job opportunities through coordinated open days within the OEM's and T1's]**

Informal Working Council, and Full Council dates were circulated as attached.

Meeting Closed.

Summary List of Actions:

Action	Responsibility	Deadline
ACTION 1: Action 1: Action 1: BIS to consult DfT officials on likelihood/timing of further HMG action/policy development in this area.	BIS/DfT & TG Sub group	Meeting by mid January
ACTION 2: SCG to identify and provide case studies of both successful and unsuccessful tendering to help suppliers 'make their case' better on unit cost.	SCG	By mid January
ACTION 3: Supply Chain Group to develop an implementation Programme to seize the opportunities presented by the Supply Chain Sourcing Roadmap	Auto Council Secretariat	ASAP
ACTION 4: Supply Chain Group to do further analysis of survey findings on unit cost barriers	SCG & Dr Matthias Holweg	End 2010
ACTION 5: BIS to discuss research project with TG Chair	BIS	8 December
ACTION 6: TG to identify and write up case studies of good and bad experiences on industry/University engagement	UKTI	ASAP
ACTION 7: TRL paper to be published -	TG / BIS /SMMT to implement	End December
ACTION 8: SMMT to identify an approach to brigade existing international activities by members eg. in India/China to promote the UK better at key events and in key markets	SMMT	Mid January
ACTION 9: SMMT / BIS to develop an approach to promote careers, job opportunities through coordinated open days within the OEM's and T1's	SMMT/BIS OEM's & T1's	End December

Automotive Council Secretariat
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