



House of Commons, London, SW1A 0AA

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Manufacturing & Engineering Working Group

Draft Terms of Reference discussion paper

Deadline for Response Friday 18 January

The All-Party Parliamentary Group on General Aviation (APPG-GA) is parliament's largest APPG boasting 177 MPs and Peers. The parliamentary group works to educate parliamentarians and ministers about the role that aviation plays in society and our economic nation's prosperity. The APPG already has five expert Working Groups covering Airfields, Airspace, Tax & Regulations, Heritage Aviation and STEM Jobs & Skills. This winter the APPG will launch an ambitious new Working Group covering aviation manufacturing and engineering.

Draft Terms of Reference for the Manufacturing & Engineering Working Group

The All-Party Parliamentary Group is now inviting aviation sector comment on these draft Terms of Reference for the new Working Group and invites any organisation with an interest in either aircraft manufacture, maintenance or engineering to forward their input by the 18th January 2018. For reference the Terms of Reference for the other APPG Working Groups can be downloaded here: www.generalaviationappg.uk/working-groups

Manufacturing & Engineering Working Group purpose

The Manufacturing & Engineering Working Group will be established to educate Parliament and Government, carry out research and propose policy designed to encourage excellence in Britain's world leading aviation manufacturing industry. The group will function as a dedicated team of experts and parliamentarians to greater inform and coordinate the action of the whole All-Party Parliamentary Group for General Aviation (APPG-GA) when representing aviation manufacturing or engineering issues to Government.

Working Group's Approach

As with the five existing APPG Working Groups, the Manufacturing & Engineering Working Group will be made up of the country's leading experts; in this case with knowledge of the aviation manufacturing and engineering industry. The group will meet, select its own Sector and Parliamentary Chairs and establish its own detailed programme of work. This will be published alongside the other Working Group programmes on the APPG website and publicised across the aviation sector for further industry-wide input. The new Manufacturing & Engineering Working Group will work closely alongside our existing expert Working Groups to help develop cross-cutting policies.

The APPG-GA expects that the work of its established STEM Jobs & Skills Working Group will be particularly relevant to the Manufacturing & Engineering Working Group and it encourages both groups to coordinate their activities closely to achieve maximum benefit.

Working Group's Focus

It will be for the formally constituted Working Group to publish its own programme as above. However, the APPG Management Team has chosen to establish the Manufacturing & Engineering Working Group with some key objectives in mind.

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According to the respected ADS UK Aerospace Outlook Report, the aerospace manufacturing industry saw a turnover of £31.8 Billion in 2017 and directly employed 120,000 people (and a further 118,000 indirectly). The industry saw productivity growth of 19 per cent from 2010 to 2016, compared to 3 per cent in the general UK economy. Importantly, 90 per cent of the demand which fuelled this growth came from exports¹.

The Maintenance, Repair and Overhaul (MRO) sector, is also highly profitable for the UK economy comprising 1,300 individual companies across the UK, employing 57,000 people and contributing a further £15 billion in yearly turnover. 72 per cent of these companies are small businesses and 22 per cent have no affiliation to an airline or air transport organisation.²

The APPG-GA recognises the value of the UK's world leading aviation manufacturing and engineering sectors, which are second only to the USA in terms of global reach. The continued growth of the industry should be considered a national imperative in future Government policy. The APPG also acknowledges the vital role the manufacturing and engineering industry plays in the continuation of General Aviation in the UK. Without the parts and engineers to support them, General Aviation businesses could not be sustained.

The APPG has also identified that the need for updating the current General Aviation fleet. Many flying schools and owner-operators still operate legacy aircraft built in the mid to late twentieth century. This means that many pilots do not benefit from the technological and safety innovations made in recent years by the manufacturing industry. There is a need to encourage regulators, manufacturers and operators to work towards refreshing the current General Aviation fleet so it is prepared for a new century of flight.

The APPG believes the future of aviation rests in the successful development of electric flight, with all the environmental benefits this would bring – through a dramatic drop in both Co2 and noise pollution. We believe that the UK should be at the cutting-edge of this new technology, by capitalising on our nation's world-beating aviation and science knowledge. Moreover, we envisage the Manufacturing and Engineering Working Group should help develop urgently needed policy to ensure Britain's place in driving forward this historic shift in aviation technology.

With these concerns in mind, the APPG feels that more specific actions are required on behalf of Parliament, Government and the aviation industry itself to encourage excellence in the manufacturing and engineering industry. The Working Group should seek to foster industry-wide cooperation in tackling the challenges to growth facing it.

The Working Group should work to promote a legislative agenda which fosters an environment that is fertile for innovation in the manufacturing of aircraft and technology. The group should aim to promote the development of new concepts in general aviation and work towards solutions to enable their widespread adoption. The group should also promote a flexible regulatory environment which is receptive to the development and manufacture of new concepts in air transport.

The new Working Group will seek to include a wide selection of businesses in its work; from large scale multinationals to small, family run maintenance organisations. It should work to identify the common challenges in the industry and produce policies to advise Parliament on the best way to address them. The Group should also recognise the globalised nature of the industry and seek to foster competitiveness of the UK's industry in the global arena.

Completing the draft Terms of Reference

¹ UK Aerospace Outlook 2017, ADS Group, 14 June 2017: <https://www.adsgroup.org.uk/facts/uk-aerospace-outlook-report-2017/>

² BIS Research Paper Number 275 'UK Aerospace Maintenance, Repair, Overhaul & Logistics Industry Analysis', February 2016: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/502588/bis-16-132-uk-mrol-analysis.pdf

The outline above is known to be incomplete and the APPG Management Team is specifically asking for sector input before the full Terms of Reference are circulated, invitations to join the Working Group are issued and the actual Work Programme itself is finalised.

Responding to the draft Terms of Reference

If you would like to provide input into the All-Party Parliamentary Group's proposed Manufacturing and Engineering Working Group, then please send your thoughts to the Head of the APPG' Secretariat using James.Shipp@GeneralAviationAPPG.uk.

We welcome open comments about the draft Terms of Reference. Please include the organisation for whom you are responding, any comments on the above draft and any proposed subjects (e.g. funding, policy, names of individuals or organisations who should sit on the Working Group, etc) that you would like to see included in the formal Terms of Reference. The final Terms of Reference will be published in the New Year, followed by an inaugural meeting of the new Working Group.