

# Motorsport Development UK - Final Report

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## 1. Introduction

Motorsport Development UK (MDUK), established in 2003 as a 6-year programme, concluded its work in March 2009.

In the final months of the programme, effort was focused on two areas: aligning legacy projects with the Government's Business Support Simplification Programme; and conducting an evaluation into the effectiveness of the MDUK.

The MDUK Board had its final meeting in March, and the remaining member of the MDUK secretariat, based in Silverstone, has been absorbed back into East Midlands Development Agency (*emda*), the lead RDA for the programme.

These activities have now been completed, which leaves the handover of the liaison function between the various motorsport sector stakeholders and Government as the only issue outstanding.

This final report provides a recommended way forward for an effective communication channel between the various stakeholders, as well as a summary of the outcome of the programme as covered in more detail in an independent evaluation commissioned by *emda* on behalf of the funding partners and carried out by GHK .

## 2. Recommended way forward

Since the publication of the Motorsport Competitiveness Panel's Report in 2003, the make-up of the industry, the sport and the position of the global economy has altered. However, in analysis of the initial Panel's recommendations, a number of them are still as relevant today as they were 6 years ago.

Therefore, it is recommended that Government continues to support the Motorsport Sector through the alignment of the MDUK support initiatives into the new 'Solutions for Business' portfolio, using Business Link as the gateway to accessing these programmes, within the overall policy framework of 'New Industry, New Jobs'..

The benefit of this recommendation is twofold: first, in providing a common support channel that can promote best practice from other like sectors such as Precision Engineering, Composites and Telematics; and, secondly, in providing access to overall strategic initiatives such as the Technology Strategy Board's innovation drive and the new Low Carbon Industrial Strategy.

It is also recommended that the industry liaison with government is transferred to Central Government, specifically to the Automotive Unit within BIS. The rationale behind this is that it will provide a national point of contact for dialogue between Motorsport Sector stakeholders and Government. This dialogue can take place in a more informal, on-demand format that closer resembles the diverse nature of the Motorsport Sector than would a formal advisory board.

With the implementation of the above recommendations it would enable RDAs to continue to provide strategic regional support aligned to their regions' economic development strategies.

### 3. Background

In early 2001, the Government recognised the importance of the UK motorsport sector, in terms of its global competitiveness, delivery of high value added manufacturing and associated services, and in some regions its higher level of economic impact than its sector peers.

Recognising the significance of the sector and the growing range of competitive threats it faced, including to the future of the British Formula 1 Grand Prix, Government commissioned the Motorsport Competitiveness Panel in 2002, in order to sustain and further develop the motorsport cluster and to ensure that other sectors benefited from its skills and expertise.

The recommendations of the Motorsport Competitiveness Panel were announced in July 2003 by the then Secretary of State for Trade and Industry. The Panel Report contained the following ten recommendations:

1. The creation of a 'Motorsport Development Board' to lead, coordinate and prioritise development activities, and drive growth and improvement of both the sport and the industry.
2. The formation of a small RDA-led 'Government Motorsport Unit' to coordinate available government resources nationally to support the Motorsport Development Board.
3. That the Motorsport Development Board directs initiatives to increase participation in the sport, by both competitors and the audience.
4. That the Board accesses appropriate resources to ensure that the UK continues to host key world-class motorsport events (e.g. Formula One World Championship, World Rally Championship, World Superbikes).
5. That the Board creates programmes and infrastructure that will enable continuing development of all motorsport talent.
6. That the Board creates initiatives to improve technology transfer across industry and sector boundaries, and to exploit the power of motorsport to further enhance technological development in the UK.
7. That the Board encourages and drives the development of open regulations to stimulate innovation and technology, whilst keeping costs firmly under control.
8. That the Board creates an industry-led 'Motorsport Academy' to drive and co-ordinate human resource development initiatives, and to enhance general interest towards engineering by utilising the powerful brand of motorsport.
9. That the Board promotes changes to address existing tax issues, in order to ensure fair treatment of the industry and sport. In addition, the Board should ensure that the industry more fully understands existing and new tax schemes.
10. That the Board creates initiatives that establish the basic structures, processes, measurement and information needed to enable further development and maintenance of this world-class industry in the UK.

As a direct result of these recommendations four RDA's (Advantage West Midlands, East of England Development Agency, East Midlands Development Agency and South East of England Development Agency) together with two central Government Departments (then DTI and DCMS), formed Motorsport Development UK (MDUK), with an initial funding pool of £11.5 million.

MDUK was operational in November 2003 and immediately began to implement the recommendations. MDUK sought advice and guidance from the then formed Motorsport Development Board (MDB), which provided the strategic direction to enable the delivery of the recommendations by MDUK.

The MDB initially comprised eight Board members, chaired by Paul Barron, who were drawn from the Working Groups created for the purposes of the Motorsport Competitiveness Panel. Three of the original Board members remained throughout the lifespan of MDUK (which was chaired in the later stages by Bob Gilbert).

It must be noted that in the early part of the programme certain conflicts arose around the Board's structure, remit and membership. One area of concern was whether MDUK should be constituted as a Non Departmental Public Body or remain as a start-and-finish task group. The implications of the various alternatives were debated and in 2004 the Board agreed to remain as an Advisory Board supporting a team of *emda* staff who were tasked on behalf of the funding partners to deliver the work programmes of MDUK.

#### 4. Delivery of Competitiveness Panel's recommendations

Although RDA programmes are usually driven by economic outcome models, this programme was different in that MDUK was created to deliver against a set of specific recommendations. Most of these were achieved, as shown in the table below:

1.	The creation of a 'Motorsport Development Board' to lead, coordinate and prioritise development activities, and drive growth and improvement of both the sport and the industry.	<b>Achieved</b>	Create a new channel of communication between sector and Government through BIS's Automotive unit.
2.	The formation of a small RDA-led 'Government Motorsport Unit' that coordinates available government resources nationally to support the Motorsport Development Board.	<b>Achieved</b>	None.
3.	That the Board directs initiatives to increase participation in the sport, by both competitors and the audience.	<b>Achieved</b>	None. Responsibility now lies with the sport's stakeholders.
4.	That the Board accesses appropriate resources to ensure that the UK continues to host key world class motorsport events (e.g. F1 Grand Prix).	<b>Unclear</b>	Difficult to measure as the UK continues to host the same number of events as at the time of the MCP.

5.	That the Board creates programmes and infrastructure that will enable continuing development of all motorsport talent.	<b>Partial achievement</b>	Continued support through Apprenticeships etc.
6.	That the Board creates initiatives to improve technology transfer across industry and sector boundaries, and to exploit the power of motorsport to further enhance technological development in the UK.	<b>Achieved</b>	Continue support through 'Solutions for Business' portfolio and other mechanisms such as the TSB.
7.	That the Board encourages and drives the development of open regulations to stimulate innovation and technology, whilst keeping costs firmly under control.	<b>Partial Achievement</b>	None. The EEMS Accelerate programme is now an independent organisation that is promoting these concepts.
8.	That the Board creates an industry-led 'Motorsport Academy' to drive and co-ordinate human resource development initiatives, and to enhance general interest towards engineering by utilising the powerful brand of motorsport.	<b>Superseded</b>	Superseded by transformational change in the skills and business support system including National Academy for Manufacturing, National Apprenticeships Service, Business Support Simplification.
9.	That the Board promotes changes to address existing tax issues, in order to ensure fair treatment of the industry and sport. In addition, the Board should ensure that the industry more fully understand existing and new tax schemes.	<b>Partial achievement</b>	Continue to provide support via the 'Solutions for Business' portfolio, which allows for access to expert advice on various topics including financial and tax implications.
10.	That the Board creates initiatives which establish the basic structures, processes, measurement and information needed to enable further development and maintenance of this world-class industry in the UK	<b>Limited achievement</b>	This has been superseded by various strategies such as the Government's Manufacturing Strategy which provides a baseline for the entire manufacturing sector.

## 5. MDUK Delivery

In order for MDUK to deliver on the recommendations, it created a series of workstreams for delivery. Each was championed by a Board member and was allocated a portion of the overall funding, based on the Board's perceived priority of the work stream. They are listed below:

**Learning Grid:** Set up in 2005 to utilise motorsport to help support activities designed to engage young people in science and engineering. The Learning Grid encompasses about twenty curriculum-related and quality-assured activities from early school age to university;

**Motorsport Academy:** Established in July 2006, following a number of developmental projects, the Academy stemmed from the sector's Workforce

Development Plan and aimed to address, in a coordinated way, the education and skills needs of the sector (i.e. act as the national 'virtual' umbrella for the range of related activities);

**Energy Efficient Motorsport (EEMS):** Drawing from early Motorsport Industry Association work, and initial development of a strategy, the project has aimed to put energy efficiency at the heart of modern motorsport by demonstrating and supporting alternative fuels and technologies;

**Business Development:** A range of activities focused on improving business practice and performance in the sector and supporting continued competitiveness through innovation, technology transfer, and diversification, and utilisation of the full range of business support services;

**Widening Participation:** Activities focussed on expanding the number of participants in the sport, especially through broadening the socio-economic profile of participants and including both under-represented groups and potentially new forms of racing.

## 6. Economic Value-added and measurable outcomes

Although the programme's primary driver was to deliver on the recommendations by the MPC, RDA-funded programmes need to deliver Value Add and Economic Outputs. These are measured against the amount of funding provided to show the 'Value for Money' that particular programmes delivered.

The MDUK programme did not score well on these measurements for two reasons:

1. The primary objective was to deliver on the recommendations of the MPC rather than on RDA outputs or economic impact targets
2. The funding for each recommendation was driven by the Advisory Board's priorities and not primarily by the need to deliver a higher level of value for money.

However, MDUK did deliver a number of outputs and outcomes, and these are reflected in the tables below:

RDA Tasking Outputs		Up to March 2009	
		Actual	Target
T1	No. of jobs created/safeguarded	45	200
T2	No. of people assisted to get a job	1,641	1,994
T3 a	No. of new businesses created and demonstrating growth after 12 months	29	8
T4	No. of businesses assisted to improve their performance	349	503
T4 a	No. of businesses assisted to engage in new collaborations with the UK knowledge base	88	134
T6	No. of people assisted in their skills development	4,439	5,543
T6 a	No. of adults gaining basic skills	2,017	1,998
T6 b	No. of adults supported to Level 2 qualification	1,595	2,579

It should be noted that the programme has produced a number of outputs beyond those measured under the RDA Tasking Framework or through analysis of Strategic Added Value (SAV). These outputs provide additional evidence of the economic and social outcomes of programme activity and include:

- the involvement of over 100,000 pupils in Learning Grid activities;
- 16,000 individuals registered on the Cruisesport database; and,
- 156 Campaign partners signed up to support the EEMS programme.

MDUK projects and activity have also levered matched funds and in-kind support from other funders and the sector itself. A high level summary of this funding is shown below:

Source/ Programme	Type	Amount
Silverstone Innovation Centre	Leveraged funding	£1,800,000
Motorsport Centre (Oxford Brooks)	Leveraged funding	£1,400,000
Energy Efficient Motorsport	In-kind contribution	£1,000,000
Motorsport to Aerospace	In-kind contribution	£759,000
Volunteers in Motorsport	Match/ In-kind	£499,000
Motorsport Knowledge Exchange	Leveraged funding	£300,000
Meet the buyer	Match funding	£258,000
Autosport Trade Show	In-kind contribution	£75,000
Unlocking the Value of Intellectual Capital	In-kind contribution	£74,000
<b>Total amount of funding</b>		<b>£6,165,000</b>

## 7. Conclusions

The Motorsport Competitiveness Panel (MCP) was a unique policy initiative that drew together a comprehensive and diverse array of senior, mostly private sector, stakeholders from a fragmented sector. The panel created a number of recommendations to ensure the future of the sector. As an implementation body, MDUK brought together four RDA's and two Central Government departments to fund and deliver the recommendations. This was supported by an advisory board made up of leading industry stakeholders.

MDUK was innovative and ambitious, based on a robust rationale to support the competitiveness of a pan-regional industry cluster, and in doing so deliver national sectoral policy at the regional level. What was not in place, however, was a template for a delivery vehicle to match this innovation and ambition; the template was developed as MDUK evolved.

In hindsight it can be seen that, without the delivery structure template, implementation of the recommendations was complicated by differing expectations from various stakeholders: industry, sport, trade associations, regional government, and central government departments. In summary, the leadership, skills and capacity required for effective implementation were underestimated.

However, these challenges were overcome through evolution including, most notably, the development of protocols for pan-regional working between RDAs in order to facilitate policy delivery at the level of the functional economic unit (namely, the motorsport sector).

MDUK can claim clear achievements against the majority of the original Panel Recommendations and point to innovative and potentially far-reaching programme activities which have delivered across the industry/sport value chain. Indeed, it is informative to note how our review of the current policy landscape exemplifies a range of themes and activities which have already been trialled under the auspices of MDUK.

The extent of these achievements and, ultimately, MDUK “driving growth and improvement of both the sport and the industry” (MCP Report) are, nevertheless, patchy. Motorsport remains an important sector to the UK economy, and competitive threats to the sector remain. With the ending of the MDUK funded period, sector stakeholders are seeking to engage at national and regional levels through a number of potential avenues, namely BIS’s Automotive unit for national policy and dialogue, and regional/national support programmes for specific business support.

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