

BIOGRAPHIES

Yan Tiefenbrun – Managing Director – Castle Precision



Yan Tiefenbrun is the third generation of the owning family to run the Castle Precision business since its inception in 1951. With a background in manufacturing engineering and operations management, he is intimately involved with the daily practical as well as the strategic challenges facing SME businesses and the 21st century aerospace supply chain.

He is a member of the Young Presidents Organisation (YPO), a previous council member of the Forum for Advanced Manufacturing Engineering Skills (FAMES) and has been a guest presenter at

events including: Rolls-Royce Global Supplier Conference, Renishaw Aerospace Trends Conference, UKTI Aerospace Conference - Paris Embassy, ADS Supply Chain Conference – Spirit Prestwick, and various others.

Yan is a member of the Manufacturing Strategic Leadership Group which you co-chair with Hamid Mughal from Rolls Royce (You have not yet attended a meeting of the Group)

Selma Hunter – Director Process Sector, Executive Leadership – Doosan Babcock

With 30 years' experience in the industry, Selma Hunter has held leadership positions within



world class engineering firms including Doosan Babcock where she is Director of Process Sector as part of the Executive Leadership. Prior to this, Selma held various roles within Jacobs, including Vice President for Process Scotland as well as Business Development Manager and Principal Process Engineer as well as at BP and Uhde. Selma is a Chartered Chemical Engineer with first class project management skills, strong commercial awareness and a high degree of business acumen.

Selma is a member of the Manufacturing Strategic Leadership Group which you co-chair with Hamid Mughal from Rolls Royce (You have not yet attended a meeting of the Group).

Paul Sheerin, Chief Executive - Scottish Engineering



Originally from Thurso Paul studied Electrical and Electronic Engineering at The University of Glasgow and joined Nuclear Electric in 1990 as part of the Sizewell 'B' project team. After a period of working based in the USA, he returned to Scotland and joined Polaroid at its Dumbarton base in 1996 and became Managing Director from 2005 until March 2017.

Paul has been a keen volunteer and supporter of Young Enterprise Scotland, acting as Schools Business Adviser and Dunbartonshire Area Team Chair, and enjoys opportunities to promote Enterprise,

Engineering and Manufacturing within schools.

Joe Pacitti – Managing Director – Centre for Engineering, Education and Development (CeeD)



Joe has been Managing Director of CeeD since September 2017. He has also worked as a Consultant with GLP Consulting since 2007, advising businesses and public sector bodies in area of Innovation and Internationalisation. He acted as Assistant Principal (Strategic Projects and Policy) at Heriot Watt University from 2016 to 2017 and is a Board Member of the Watt Club – the alumni body for Heriot Watt University.

Public Sector roles have included Chief Executive of Stirling University Innovation Park, responsible for day to day running of a successful Science park and also creating and developing a pan-Scotland business development & knowledge transfer programme focusing on innovation. He also fulfilled various positions for Scottish Enterprise, including Head of Investor Support for Scottish Development International. Joe has qualifications in mechanical and production engineering and is a member of the Chartered Institute of Marketing.

Mark Walker, Group Managing Director, Walker Holdings Ltd.



Walker Precision Engineering Ltd – Glasgow (est. 1979)
Also Walker Precision Engineering Polska sp z.o.o.- Tychy, Poland (est. 2007) and
Walker Guidance Systems Ltd – Basildon, Essex (est.2016)

REDACTED
REDACTED

Ian Wilkie, Managing Director of Leviton Network Solutions

DETAILS TO FOLLOW

Ministerial Briefing (2020) - FH - Covid-19 Discussion with Advanced Manufacturing and Engineering Sector - Call 26 March 2020 - Briefing

What	Conference call with advanced manufacturing and engineering firms to discuss COVID-19 key issues for the sector
Why	Part of a series of engagements with different sectors in the Scottish economy to understand what the key immediate issues are for them in responding to the COVID-19 emergency, identify what types of support might best help the sector navigate the current situation and communicate what steps the Scottish Government are taking to provide assistance.
Where/ When	Thursday 26 March 2020 10:00 to 10:45 Conference call
Who	<p>This is a conference call with six representative organisations and businesses in the advanced manufacturing and engineering sector. Those participating in the call are:</p> <ul style="list-style-type: none"> • Yan Tiefenbrun – Managing Director – Castle Precision – REDACTED • Selma Hunter – Director Process Sector, Executive Leadership – Doosan Babcock - REDACTED • Paul Sheerin, Chief Executive - Scottish Engineering - REDACTED • Joe Pacitti – Managing Director – Centre for Engineering, Education and Development (CeeD) – REDACTED • Mark Walker, Group Managing Director, Walker Holdings Ltd. - REDACTED • Ian Wilkie, Managing Director of Leviton Network Solutions
Key Message(s)	<ul style="list-style-type: none"> • The Scottish Government welcomes the significant steps by the UK Government to support workers through the economic crisis sparked by coronavirus. • This will provide the certainty that many businesses need – they will have money to pay people’s wages. As a result they now need to provide that reassurance to their employees that they will still have a job and they will still be paid. • We are working quickly to establish the mechanisms required to ensure people and businesses can access funding and support to help those most affected by coronavirus. • The Scottish Government have announced a £2.2 billion package of support for business and is focused responding

	<p>to the economic impact of Covid-19 by continuing to scale up, aligning closely with the wider set of health and social challenges arising from the virus.</p> <ul style="list-style-type: none"> • In this public health crisis all business premises, sites and attractions should close now unless: <ul style="list-style-type: none"> ○ essential to the health and welfare of the country during this crisis (as defined below); or ○ supporting (or being repurposed to support) essential services; or ○ capable of working in a way which is fully consistent with established social distancing advice; or ○ wider public health, health and safety or other considerations apply and require a facility or service to continue to operate <u>or</u> a specific period of time for a safe shutdown process to be completed. • Through Scottish Enterprise we are continually updating information on the online business support hub https://findbusinesssupport.gov.scot/ and recommend this as the best first point of contact for detail on the support available and how to access it. • A SE helpline is also providing businesses across Scotland with advice and guidance on COVID-19. The helpline number is 0300 303 0660 will be open Monday to Friday, between 8.30 am to 5.30 pm. There is also a separate HMRC helpline on tax issues at 0800 015 9559 • In response to the current challenges facing the Scottish NHS's supply of critical equipment, the Minister for Trade, Innovation and Investment is chairing a daily working group to coordinate efforts to mobilise the wider Scottish manufacturing base. While primarily focused on ventilator supply the group is also looking at supply of other manufactured products.
Social Media	No social media
Supporting official	REDACTED, REDACTED, REDACTED REDACTED , Advanced Manufacturing Team, REDACTED
Briefing contents	<ul style="list-style-type: none"> • Annex A – Biographies and Lines to Take (Page 3) • Annex B – Key issues for industry (Page 5) • Annex C – COVID-19 Business Support Core Brief (Page 7) including Social Distancing, what businesses need to close (Page 9) • Annex D – Manufacturing of COVID-19 critical goods (Page 10)

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| | <ul style="list-style-type: none">• Annex E – Industry engagement and feedback on COVID-19 (Page 11) |
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KEY ISSUES FOR INDUSTRY

Agenda

There is no agenda for this meeting as it is relatively short and seeks to provide an opportunity to explore in more detail with industry what the key COVID-19 issues and asks are from them.

Questions to ask

Some questions you may wish to structure the discussions around include:

- To all - What are the most critical issues for your companies and members in the current situation? How will the measures put in place so far by SG and UKG help and have you been able to find information about how to access these measures?
- To all - What would be your top two additional asks of the Scottish Government to help your sector navigate this rapidly evolving situation? Are there measures we could press the UKG to consider and are you engaged directly with UKG?
- To Paul Sheerin or Joe Pacitti - Are SME companies finding banks responses to be helpful and useful?
- To Mark Walker or Paul Sheerin – What experience and feedback from other countries approach could we be taking into account in Scotland?
- To Yan Tiefenbrun – how are company production schedules and processes changing to support scale up of critical goods to NHS, food and medicine production?
- To Selma Hunter (and others) – how resilient or at risk are your supply chains and forward distribution networks? What is realistically under your control or SG scope to influence?

Key current issue for Industry

Following the announcement on 23 March to recommend only essential travel and that working from home should be applied where-ever possible the key question from manufacturing businesses has been **“what is classed as essential travel and critical work which is permitted to continue in a production setting (i.e factories)?”**

Companies have expressed concern, confusion and distress (especially for employees) regarding how they should respond to the new guidance as working from home is not an option in a production setting. **REDACTED**

UK guidance, issued on the morning of 24 March, said:

- *If it is impossible for you to work from home, you are able to go to work. For example, this will apply to those who do manual labour, such as in the construction and manufacturing industries, as well as those who provide services that cannot be done from home, such as restaurant workers providing takeaways.*

- *You are able to go to work if you absolutely have to, unless you are a vulnerable member of society, in which case we urge you to stay at home as per the guidance.*

The advice in Scotland to businesses regarding opening is covered in more detail on page 9 of this brief. The key point says:

- In this public health crisis all business premises, sites and attractions should close **now** unless:
 - **essential** to the health and welfare of the country during this crisis (as defined below); or
 - **supporting (or being repurposed to support) essential services**; or
 - **capable of working in a way which is fully consistent with established social distancing advice**; or
 - **wider public health, health and safety or other considerations apply** and require a facility or service to continue to operate or a specific period of time for a safe shutdown process to be completed.

We anticipate guidance reflecting the above position will be published and communicated to businesses before this call.

Initial Industry Feedback

Early feedback from manufacturers around COVID-19 highlighted a general pattern of moving staff to home working/split shifts where possible and concern around the availability of staff and ability to pay for staff. Overall **cash flow is a major concern across all sectors** with businesses requesting clear guidance on the practicalities of how to access the financial aid measures that have been outlined by government.

Uncertainty on likely duration of issues and whether customers will honour milestone payment commitments has also been highlighted by a number of companies, with this linked to vanishing demand for goods and potential disruption to delivery and haulage.

There is growing concern amongst some businesses that if they shutdown they may not be able to reopen once the COVID-19 emergency has passed, despite the scale of support being put in place by SG and UKG. These concerns are linked to their ability to maintain contracts which are essential to the viability of the company with a risk that customers source supplies and goods from elsewhere during the period of any Scottish shut down and Scottish companies being dropped as suppliers.

Businesses have also stressed the need for quick application and decision making in relation to the outlined financial aid measures, particularly for SMEs who are less resilient and unable to operate over extended periods with reduced revenues.

In addition, businesses have stressed a need for the public sector to continue releasing orders and pushing through business as this will support the sector to “keep the wheels of industry turning” which they believe to be the best way to minimise impact.

COVID-19 – BUSINESS SUPPORT CORE BRIEF

TOP LINES:

- **The Scottish Government welcomes the significant steps by the UK Government to support workers through the economic crisis sparked by coronavirus.**
- **This will provide the certainty that many businesses need – they will have money to pay people’s wages. As a result they now need to provide that reassurance to their employees that they will still have a job and they will still be paid.**
- **Those companies who have taken decisions to lay off staff this week must now reconsider their approach and where they can they should halt or reverse their decisions to make people redundant.**
- **Whilst we welcome this unprecedented package of support, more action will be required to support the self-employed and unemployed who will not see the benefit of these actions. We also need to see action on sick pay to ensure that where people follow the essential health advice, they know they will be supported in doing so. We are committed to delivering support that meets the real needs of businesses by listening and responding to their concerns in a joined-up way.**
- **We are working quickly to establish the mechanisms required to ensure people and businesses can access funding and support to help those most affected by coronavirus.**

COVID-19 (CORONAVIRUS) BUSINESS RESPONSE

The Scottish Government’s focus on the economic impact of Covid-19 continues to scale up, aligning closely with the wider set of health and social challenges arising from the virus.

The UK and Scottish Governments have announced a range of support measures available to businesses impacted by coronavirus, and are continuing to engage with the business community to raise awareness and promote access.

Business Engagement

Conference calls are taking place 3 times per week between Scottish Government and the main business organisations to capture key business issues and share information to support businesses in this fast-evolving environment.

SCOTTISH ENTERPRISE HELPLINE

- Launched on 13 March 2020, to provide advice and guidance on COVID-19 to businesses across Scotland.
- Initial calls volumes of 3000+ per day resulted in extended waiting times despite deployment of additional resources. To alleviate this, SE have developed online

offering with up-to-date information available online at:
<https://findbusinesssupport.gov.scot>

- The website is now being actively promoted as the main source of business support information and is updated regularly in relation to Covid-19 (24/7).
- There is also a separate HMRC helpline on tax issues at 0800 015 9559.

Scottish Government Support

- We have announced a £2.2 billion package of support for business.
- This comprises £320 million which we announced on 14 March and an additional £1.9 billion announced on Wednesday 18 March.
- We will deliver a package of measures during the 2020-21 financial year which include:
 - 100% Non-Domestic Rates relief for all retail, hospitality and leisure sectors;
 - 1.6% Non-Domestic Rates relief for all properties across Scotland;
 - an £80 million fund to provide grants of at least £3,000 to small businesses in sectors facing the worst economic impact of COVID-19;
 - A fund to provide support for small businesses experiencing hardship as a result of Covid 19;
 - Delivering £10,000 Small Business Grants to various businesses already eligible for relief.
 - £25,000 grants to the retail, hospitality and leisure sectors for those with a rateable value between £18,000 and £51,000.
 - Launched a Helpline service for businesses, hosted by Scottish Enterprise
 - Publish support information to Scotland's business support website:
www.findbusinesssupport.scot
- We have also:
 - Worked with local authorities to relax planning rules to allow pubs and restaurants to operate temporarily as takeaways
 - extended the go live date for the deposit return scheme to July 2022
 - delayed the introduction of the Visitor Levy Bill

Social Distancing – what businesses need to close?

- Social distancing measures are in place for everyone, including business. We should all be trying to reduce social interaction between people in order to reduce the spread of coronavirus (COVID-19).
- It is vital that **ALL** businesses act responsibly and align fully with the social distancing measures introduced to protect the nation's health, well-being and economic future.
- In this public health crisis all business premises, sites and attractions should close **now** unless:
 - **essential** to the health and welfare of the country during this crisis (as defined below); or
 - **supporting (or being repurposed to support) essential services**; or
 - **capable of working in a way which is fully consistent with established social distancing advice**; or
 - **wider public health, health and safety or other considerations apply** and require a facility or service to continue to operate or a specific period of time for a safe shutdown process to be completed.
- We are relying on business to be responsible at this time of national emergency. Most businesses should and will know whether they should close. Exceptionally, some more nuanced cases may arise and we will establish a central Scottish Government function urgently to provide advice and direction where needed. Further details will follow.

Key workers – why is Scotland taking a different approach?

- The 3 categories have been designed to provide flexibility for local partners and recognise local circumstances. However, in practice, there is broad alignment across the UK, with all governments focusing on workers who are critical to the Covid-19 response and the running of essential services in the weeks ahead.
- We are developing guidance with relevant partners to help clarify the situation for businesses and parents and will issue that as soon as possible.
- There is a difficult balance to be struck. Providing childcare and learning to parents of key workers who maintain essential services whilst keeping the numbers of children in schools or other settings to the absolute minimum is crucial, so that we don't undermine the public health rationale for closing schools to help to suppress the spread of the virus.

Meeting 26 March - Actions Points and Readout

Cab Sec EFWC call with Advanced Manufacturing and Engineering sector

Participants

- Yan Tiefenbrun – Managing Director – Castle Precision
- Selma Hunter – Director Process Sector, Executive Leadership – Doosan Babcock
- Paul Sheerin, Chief Executive - Scottish Engineering
- Joe Pacitti – Managing Director-Centre for Engineering, Education and Development (Ceed)
- Mark Walker, Group Managing Director, Walker Holdings Ltd.
- , Managing Director of Leviton Network Solutions

Actions for Cab Sec

- A. Clarify the role of the Chief Medical Officer from each UK Nation in providing guidance around which businesses should shutdown and which should remain open. Furthermore ensure FM is able to make the case to UKG and other devolved nations that eligibility for the 80% Job Retention Scheme funding should be based on the advice of the Chief Medical Officer in the nation in which a company operates.
- B. Upon receipt of more information around the increased provision and possible accreditation of online training, Cab Sec Economy to seek support from DFM.
- C. Cab Sec to look at providing a letter or other assurance to **REDACTED** that confirms them as a supplier of critical national infrastructure with a right to stay open (this will also help with employee engagement at the company).

Actions for SG Officials

1. Work to provide companies in Scotland with advice on whether they will be eligible for the Job Retention Scheme if they close based on SG rather than UKG advice. Furthermore officials to work with UKG to clarify flexibility around the use of the Job Retention Scheme to support companies keeping their full workforce on reduced hours rather than choosing who to furlough and who to keep fully employed.
2. Provide confirmation for companies if the current emergency legislation which the Scottish Parliament granted legislative consent to this week will enable SG to mandate rather than just strongly advise shutdown of businesses.
3. SG NHS Supply Chain team to pick up with CEED regarding progress and communication around companies that have expressed interest in producing ventilators.
4. Officials to liaise with companies to get examples of where banks are being helpful or unhelpful so that this can be followed up in regular discussions with banks (including weekly calls the Cab Sec has).
5. The statement on procurement and COVID which Cab Sec has now cleared is to be shared with those on the call once it is published.

6. A call to be arranged between Cab Sec Transport and Yan Tiefenbrun to further discuss the issues arising from limited information being provided by Airbus and Boeing to their supply chains.
7. Officials to engage with Engineering Skills Leadership group to explore scope to get accreditation in the short term for online learning which furloughed workers may take up.
8. Officials to look at scheduling regular series of discussions with the Cab Sec as the current COVID situation evolves.

MANUFACTURING OF COVID-19 CRITICAL GOODS

1. In response to the current challenges facing the Scottish NHS's supply of critical equipment, the Minister for Trade, Innovation and Investment is chairing a daily working group involving SG, NMIS, Scottish Enterprise and the NHS. This group is coordinating efforts to mobilise the wider Scottish manufacturing base. While primarily focussed on ventilator supply the group is also looking at supply of other manufactured products.

Medical Ventilators

- UK Government sent out a challenge on 16 March to step up ventilator production.
- Two strands - BEIS-coordinated effort looking to generate consortia capable of building existing designs under license. Second process is Cabinet office coordinated, in conjunction with a consultancy, to determine companies with the ability to contribute to the manufacture of a new ventilator design centred around 3-5 design specifications.
- The Ministerial working group is supporting manufacturers to engage with BEIS. Contacts have been established between them and BEIS-appointed consultants who are 'triaging' company responses.
- The Minister TII has met a number of Scottish manufacturers, who have been directed towards the UKG challenge. We are pursuing conversations with a major ventilator device manufacturer on licensing existing designs to other firms with capacity to produce
- We are working to ensure that those Scottish companies not selected by BEIS but with the will and capability to assist are engaged and mobilised where appropriate. Scottish Enterprise has been heavily engaged in assisting with the Scottish response.
- We are following up a number of leads relating to ventilators which may be available on the international market and ensuring appropriate coordination with NHS Scotland.

Medical masks and gowns

- The workgroup is coordinating efforts to mobilise the wider Scottish manufacturing base to support NHS shortages for manufactured products, including masks and gowns. We have enabled a previously delayed export from Taiwan of 50,000 masks.
- Scottish Enterprise have identified a number of additional international suppliers, and NHS procurement are following up to establish if they can produce masks of the specifications we need. SE have also written to account managed companies and Global Scots asking for assistance supplying key items including masks and gowns.

Hand sanitizer

- Several Scottish drinks manufacturers have offered to assist in the scale up of hand sanitiser production. Promising leads including **REDACTED**, supplying 100,000 litres of sanitiser, bottled and ready to use.
- The Cab Sec Finance wrote to the Chancellor on 20 March to ask for flexibility to allow drinks companies to help produce sanitiser without having to pay alcohol duty.

Note of Teleconference Call – 3 April 2020

PS/Minister TII,

Please see note below of telecon with JFD this morning.

Ministerial Teleconference – JFD Ltd – Note – 03/04/2020

Present:

- Minister for Trade Investment and Innovation
- Alastair Wilson – JFD Ltd
- **REDACTED** - SG
- Lynne O'Hare - NMIS
- **REDACTED** - SG
- **REDACTED** (PS/Min) - SG

Apologies

- **REDACTED** (SE)

Main Points of Discussion

- AW noted that JFD Ltd were keen to answer the call from UKG on ventilators, the company has over 40 years' experience and capability in producing machines for ventilation, understand how to deliver breathing gas in precise quantities health monitoring, gas reclaim and monitoring. Also work with NHS Aberdeen, providing hyperbaric therapy
- Company started by reviewing old equipment and repurposing those for the current need. **REDACTED** Wrote paper for BEIS ventilator challenge, presented to Cabinet Office 17 March but without any commitment. Product submitted for testing last week, understand it is guaranteed to be tested today. Bottleneck here – only one testing lab in Birmingham, JFD Ltd have done extensive in-house testing and clinical input from local NHS in Aberdeen – **REDACTED**.
- Minister noted that NHS clinicians attached to the working group are reviewing the specification of the company's InVicto ventilator – will get feedback on how this would fit with current need. Offer to put JFD in touch with clinicians, AW noted that this would be helpful to liaise with Aberdeen clinician and particularly around NHS procurement – further clinical review very helpful. Keen to understand JFD Ltd's supply chain and if there are any specific requirements to help with manufacture that the working group could help with. **REDACTED** unclear on supply of oral-nasal masks in NHS and whether this could be a limiting factor, require clarity on that.
- Timescales to manufacture – solid state block is unlikely to be issue, **REDACTED** Minister offered any support the group could give to help condense those times if that was possible.
- JFD Ltd going public today – have engaged PR company to help - messaging around the fact that company has experience and capability, offering whatever they can in the battle against coronavirus. Minister offered support from SG comms if that would be helpful in particular where the work group can offer supply chain support, but more generally to highlight a good news story from Scotland in the public health battle.

Actions:

- NMIS to engage with JFD to understand supply chain constraints and activities to condense time to manufacture
- **REDACTED** to link up JFD with clinicians working with supply chain group, also tie in with Aberdeen clinician already reviewed machine
- **REDACTED** link up JFD Ltd with SG communications

REDACTED

Advanced Manufacturing Policy Team
Economic Development Directorate
Scottish Government
Tel: 0300 24**REDACTED**
Mob: **REDACTED**

INDUSTRY ENGAGEMENT AND FEEDBACK ON COVID-19

Engagement with industry on COVID-19

Officials have been engaging sectoral bodies like Scottish Engineering and Scottish Centre of Excellence in Satellite Applications as well as major companies like Spirit Aerospace. Officials have also been engaging with those industry voices participating in this call and will continue to keep these communications channels open going forward.

Intelligence on company reactions and concerns on COVID-19 are also being collected and shared by our Enterprise Agencies who are often a first point of contact. Scottish Enterprise have 895 account managed businesses in Scotland while SMAS and wider SE staff as well as the general business support helpline and findbusinesssupport.gov.scot have all been used to engage and communicate with businesses.

Intensive and focused engagement is happening with companies that have potential to feed into the NHS Supply Chain around critical goods required like ventilators.

Potential impacts of COVID-19 on Manufacturing

It is worth noting manufacturing is a diverse sector and sub-sectors are likely to feel the impacts on different timeframes. The range of challenges likely to face manufacturing in the short to medium term include:

- Cash-flow if there are difficulties fulfilling orders or with payment timeframes.
- Workforce levels through impact of home working (including now schools are closed) and likely absence due to illness from COVID-19.
- Order levels with reduced new orders from customers who themselves have had to scale back production or where a market has went into hiatus due to COVID-19, for example car manufacturing plants closing down with impacts back through supply chain. This could also impact on employment levels if manufacturers scale back their staffing levels to mirror changes in customers further up the production chain.
- Declining production levels as supply chains under pressure and unable to secure inputs required to maintain normal production levels. This could be especially pronounced where supply chains are international and 'just-in-time' with restrictions and reductions in travel slowing down the delivery of components.
- Logistics around getting goods to markets, especially if for goods which are not classed as critical for NHS supply chain or population health.
- Maintaining workforce capacity and numbers to enable production to be quickly scaled up again post-COVID-19.
- Concerns about fulfilling contracts, especially when a manufacturer in Scotland has taken the decision to shut down production but customers outwith Scotland are still demanding components. The concern is customers may find other suppliers to the detriment of Scottish based manufacturers when conditions return to normal.