



SCRUTINY BOARD (SUSTAINABLE ECONOMY AND CULTURE)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Tuesday, 17th December, 2013 at 11.00 am

(No pre-meeting)

MEMBERSHIP

Councillors

- M Rafique (Chair) - Chapel Allerton;
D Cohen - Alwoodley;
M Lyons - Temple Newsam;
P Wadsworth - Guiseley and Rawdon;
R Harington - Gipton and Harehills;
M Ingham - Burmantofts and Richmond Hill;
J McKenna - Armley;
J Chapman - Weetwood;
A Castle - Harewood;
D Coupar - Cross Gates and Whinmoor;
A Khan - Burmantofts and Richmond Hill;
J Marjoram - Calverley and Farsley;

Please note: Certain or all items on this agenda may be recorded.

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A G E N D A

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1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 25* of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(* In accordance with Procedure Rule 25, notice of an appeal must be received in writing by the Head of Governance Services at least 24 hours before the meeting).</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:</p> <p>No exempt items have been identified on this agenda.</p>	

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3			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstances shall be specified in the minutes.)</p>	
4			<p>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.</p>	
5			<p>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</p> <p>To receive any apologies for absence and notification of substitutes.</p>	
6			<p>MINUTES - 19 NOVEMBER 2013</p> <p>To confirm as a correct record the minutes of the meeting held on 19 November 2013.</p>	1 - 4
7			<p>LEEDS MANUFACTURING SECTOR</p> <p>To receive a briefing on the manufacturing sector in Leeds.</p>	5 - 36
8			<p>PERFORMANCE MANAGEMENT FRAMEWORK</p> <p>To consider the Board's requirements in relation to the revised corporate performance management framework.</p>	37 - 46
9			<p>WORK SCHEDULE</p> <p>To consider the Board's work schedule for the remainder of the municipal year.</p>	47 - 52

Item No	Ward/Equal Opportunities	Item Not Open		Page No
10			DATE AND TIME OF NEXT MEETING Tuesday 21 January 2014 at 10.00am. (pre-meeting for all Board members at 9.30am)	

Agenda Item 6

SCRUTINY BOARD (SUSTAINABLE ECONOMY AND CULTURE)

TUESDAY, 19TH NOVEMBER, 2013

PRESENT: Councillor M Rafique in the Chair

Councillors D Cohen, M Lyons,
P Wadsworth, R Harington, J McKenna,
J Chapman, A Castle, D Coupar,
J Marjoram, J Hardy and J Jarosz

51 **Late Items**

There were no formal late items of business to consider. However the Chair agreed to accept the following items as supplementary information:

- Draft terms of reference – inquiry into cultural organisations' engagement with communities (agenda item 8) (Minute 56 refers)
- Executive Board minutes of 6 November 2013 (agenda item 9) (Minute 57 refers)

52 **Declaration of Disclosable Pecuniary Interests**

There were no disclosable pecuniary interests declared at the meeting.

53 **Apologies for Absence and Notification of Substitutes**

Apologies for absence were received from Councillor Ingham, with Councillor Jarosz in attendance as a substitute, and Councillor Khan, with Councillor Hardy in attendance as a substitute.

54 **Minutes - 8 October 2013**

RESOLVED – That the minutes of the meeting held on 8 October 2013 be confirmed as a correct record.

55 **Scrutiny Inquiry - Apprenticeships**

The Board considered a report of the Chief Officer Employment and Skills, as evidence for the first session of its inquiry into apprenticeships in Leeds. In attendance to address the Board and answer Members' queries were:

- Councillor Lucinda Yeadon, Executive Member for Leisure and Skills
- Sue Wynne, Chief Officer, Employment and Skills
- Gary Milner, Lead Officer, Skills for Learning and Life
- Nick Hart, Apprenticeship Hub Coordinator

Sue Wynne introduced the report, talking the Board through the learner and employer pathways for apprenticeship, and highlighting the key stakeholders and influences in promoting apprenticeship as a positive choice.

The following issues were highlighted in introducing the report:

- An apprenticeship is a job with a learning framework attached
- Apprenticeship is the government's key workforce development tool

Draft minutes to be approved at the meeting
to be held on Tuesday, 17th December, 2013

- A new national pre-apprenticeship Traineeship programme is currently being piloted
- A mapping exercise of Leeds pre-apprenticeship opportunities is being undertaken for the next session of the inquiry in January
- The role of the council in supporting both young people and employers to access apprenticeships, including the roles of the Apprenticeship Training Agency and the Apprenticeship Hub.
- The number of 16-18 year olds starting apprenticeships has fallen, both locally and nationally
- The role of information, advice and guidance services
- Parental perception of apprenticeships
- The Executive Member stressed the priority to address the challenge to increase the number of apprentices and apprenticeships, through bringing together the players across a fragmented landscape and making it easier to access for young people and employers

The following issues were raised in discussion:

- Concern that the level of qualifications required in order to get onto some apprenticeships was inappropriately high and the lack of alternative entry level opportunities for young people
- The need to target support to young people to get them up to a level where they can successfully apply for an apprenticeship
- Support for activities to promote apprenticeships in localities
- The Work at Leeds programme
- The success of the devolved youth contract scheme in Leeds
- Work being undertaken by the Apprenticeship Hub to train young people in writing a good CV and application
- Other social rather than academic barriers that can prevent young people accessing an apprenticeship, for example housing issues
- Leeds City Council's use of apprenticeships and the retention rate for apprentices who have completed their training
- The support offered to small and medium sized enterprises (SMEs) through the Apprenticeship Training Agency
- The training subsidy provided by the government for those under 25 undertaking apprenticeships
- The impact of Raising the Participation Age, the introduction of vocational pathways at age 14 and the development of University Technical Colleges
- The importance of using methods of communication that will appeal to young people, and make accessing apprenticeships both more attractive and straightforward
- The potential consideration of some sort of local 'branding'
- The importance of getting the message about apprenticeships across to parents as a major influence on young people's choices
- The national competition from learning providers for the learning element of the apprenticeship
- The need to encourage more opportunities for young people to learn about the world of work at an early age
- The importance of providing support for looked after children as corporate parents

- The role of members as ward councillors and school governors in encouraging those high schools that are not already engaging to do so
- Opportunities to engage clusters and Area Committees
- Encouraging the circulation of apprenticeship vacancies as widely as possible
- The variation in quality of information, advice and guidance offered in schools, as evidenced in the recent national Ofsted report, and the support offered by Children's Services to schools
- The fact that schools can see apprenticeships as being in direct competition with them for pupils staying in school
- Looking at what more the council can do as an employer to support apprenticeships and preparation for apprenticeships
- Spreading awareness among the council's own workforce to promote an up to date and accurate picture of apprenticeships
- Laying out the challenge to other major employers in the city

The Board noted that there would be a further session of the inquiry in January, which would involve partners. A working group is also to be arranged to enable members to hear from young people.

RESOLVED – That the issues raised by this session of the inquiry be noted.

(Councillor Marjoram left the meeting at 11.20 during the discussion of this item.)

56 Draft terms of reference - Scrutiny Board inquiry on cultural organisations' engagement with communities

The Board considered draft terms of reference for an inquiry into cultural organisations' engagement with communities.

RESOLVED – That the terms of reference be agreed.

57 Work Schedule

The Board received a report of the Head of Scrutiny and Member Development which set out the latest version of the Board's work schedule.

The Board discussed the joint working with Children and Families Scrutiny Board in relation to the youth offer and it was agreed to ensure that all Board members received a copy of the relevant reports.

The Board welcomed the Executive Board's decision not to introduce charges for residents' parking permit schemes. Members asked the Principal Scrutiny Adviser to confirm with the department that consultation would take place before any existing schemes were considered for removal.

RESOLVED –

- a) That the work schedule be agreed.

- b) That a member of the Housing and Regeneration Scrutiny Board be invited to join this Board when the Community Infrastructure Levy is considered in future.
- c) That the Executive Board minutes be noted

(Councillors Wadsworth and Hardy left the meeting at 11.50 during the discussion of this item.)

58 Date and Time of Next Meeting

Tuesday 17 December at 10.00am (a pre-meeting will start at 9.30am for Board members.)

(The meeting finished at 12.00)

Report of the Director of City Development

Report to Scrutiny Board (Sustainable Economy & Culture)

Date: 17 December 2013

Subject: Leeds Manufacturing Sector

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. The manufacturing sector in Leeds employs 29,000, the UK's third largest concentration of manufacturing jobs by local authority area. Manufacturing in Leeds has not had the same profile and level of support nationally compared to other cities. The nature of the sector in Leeds means that it is difficult to focus on any one particular set of products or companies. Manufacturing in Leeds is diverse, covering specialisms such as textiles, print, packaging, food, medical devices, pumps and valves, cooling systems and so on. There is a lack of large "prime" firms that support extensive supply chains. The sector is becoming more advanced with a greater importance for product and process innovation, research and development, high-level design and digital capabilities, more advanced skills, and exports.

2. Input from Scrutiny Board would be welcome on how the Council / Leeds City Region might be able to provide better support the manufacturing sector, including:
 - a. How to match skills and future labour supply to industry needs?
 - b. How to ensure that there is a suitable supply of sites and premises in Leeds to meet future investment and growth requirements?
 - c. How to improve innovation amongst the sector and encourage more joint working between local Universities and industry?
 - d. How to support better export performance and inward investment in manufacturing?

1 Purpose of this report

- 1.1 To provide an overview of current work related to the launch of a new initiative to support the Leeds manufacturing sector.

2 Background information

- 2.1 Research was undertaken in 2012 by Leeds City Region on Advanced Manufacturing.

- 2.2 This work identified that Leeds is one of the largest manufacturing centres in the UK with 30,000 people employed in the sector (the fourth largest sector in Leeds in employment terms). As a sector it generates 11-12% of the economy's output and according to recent forecasts output is set to grow by 17% over the next ten years (Experian Business Strategies, Spring 2012). There are approximately 1,700-1,800 manufacturing firms in the city, 98% are small or medium sized (employing less than 250 employees). The Leeds City Region is the largest manufacturing centre outside London with 135,800 employed in the sector.

- 2.3 The research highlighted the following:

- 43% of Leeds manufacturing firms are defined as being “advanced”. Leeds has higher proportions of its “advanced” manufacturing in pharmaceuticals, medical/dental instruments and supplies and electrical equipment than the national average. Leeds has a higher proportion of HQ functions than the city region average.
- “Advanced” manufacturing firms tend to be larger, have a higher skilled workforce and pay higher wages. They are more likely to export and are more optimistic about their future prospects. They collaborate more with local universities and undertake more Research and Development. They are deemed to be more “resilient” than other manufacturing firms.
- Leeds firms cite the city region as being an advantageous business location due to good transport links, local infrastructure, access to suppliers / markets / skilled workforce.
- There is no industry led local organisation in Leeds or the wider city region which has a specific remit or resources dedicated to representing the interests of the sector. The sector is widely perceived to be “under networked” in comparison to other important sectors in Leeds and is very diverse i.e. there are no dominant sub sectors or individual companies which makes industry engagement difficult for the public sector to sustain.
- The sector needs to respond to a number of major challenges:
 - replacing the skills of an ageing workforce and equipping people entering employment / upskilling existing employees with the right combination of skills;
 - developing new markets, in particular export markets;

- continued innovation in manufacturing processes and product development; and
- access to finance to support capital investment in new premises, plant and machinery.

2.4 The research calls for advanced manufacturing to be prioritised and for the City Region / other partners to consider:

- Forming a city region wide manufacturing alliance to bring manufacturers together to tackle major challenges;
- Building on current support for the sector, in particular around innovation, export support and skills development;
- Maximising the potential benefits of the Aire Valley Leeds Enterprise Zone as a location for manufacturing.

2.5 Partly in response to this work the Manufacturing Advisory Service (the national service who delivers business advice to manufacturing small/medium sized enterprises) approached LCC in late 2012 with a proposal to develop a local manufacturing initiative as an extension of the national MAS offer.

3 Main Issues

3.1 Current Position

Over the last 12 months the following progress has been made on a local Leeds manufacturing Initiative:

- A Business breakfast event was held in July 2013 to formally launch the new manufacturing initiative. This event was organised by Yorkshire Business Insider with the support of LCC, MAS and the Chamber of Commerce and took the form of a “Question Time” style debate on the challenges/opportunities facing the manufacturing sector. A brochure (Leeds Manufacturing – adding value) was produced as a statement of intent by the partnership of its willingness to work together to help local manufacturers. (see attached brochure for more information).
- In September 2013 a Leeds manufacturing forum was established by MAS in partnership with LCC. To date 30 manufacturers have attended this forum which has met on two occasions. A survey has been carried out on Manufacturers priorities. A third meeting of the forum is scheduled for the 21st February 2014 themed around skills and future labour supply.

4 Input sought from Scrutiny Board

4.1 Input from Scrutiny Board would be welcome on how the Council / Leeds City Region might be able to provide better support the manufacturing sector, including:

- a. How to match skills and future labour supply to industry needs?

- b. How to ensure that there is a suitable supply of sites and premises in Leeds to meet future investment and growth requirements?
- c. How to improve innovation amongst the sector and encourage more joint working between local Universities and industry?
- d. How to support better export performance and inward investment in manufacturing?

5 Background documents¹

5.1 Leeds Manufacturing Adding Value Booklet

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.



Leeds manufacturing
adding **+** value





Published by
Leeds City Council
Economic Development

July 2013

Leeds manufacturing: adding value

Manufacturing is central to our strategy for driving economic growth in Leeds and this is in line with the Government's strategy for rebalancing the UK economy: moving it away from over-reliance on the service and public sectors, towards an export-led economy, driven by innovation and high level skills. Despite the widely held view that manufacturing is simply something that we don't do any longer here in the UK, manufacturing remains critical to the success of the national economy and to the economy of Leeds. At national level, the sector is a major driver for innovation and exports, with manufacturing responsible for 72% of business R&D and over 50% of UK export-related earnings.¹

Here in Leeds, manufacturing makes a major contribution to the economy, employing around 30,000 people and contributing over 11% of GVA. The city is the UK's third largest centre for manufacturing by local authority area, while the wider Leeds City Region is the largest manufacturing centre outside London, with 135,800 employed in the sector. Manufacturing also plays an important role as a local multiplier, sourcing services and supplies from within regional supply chains and supporting employment across a range of related sectors including IT services, logistics and distribution, financial and professional advisory services.

Indeed, far from being a thing of the past, manufacturing is a diverse and vibrant sector. The majority of manufacturers in Leeds are small to medium size businesses and they play a key role in the economic life of the city, adding to the diversity and vitality of the economy and ensuring the city's fortunes don't depend on individual industries or employers. There are also many highly innovative manufacturing companies – large and small – based in the city, pushing the boundaries and, in some cases, leading the world in their respective fields.

Modern manufacturing companies are also often much leaner, tougher and more competitive

than their counterparts in other sectors of the economy. There is a great deal that they could teach other companies and organisations in both the private and the public sectors about efficiency, innovation, workforce development and implementing business strategies focussed on delivering tangible results.

Significantly, while the UK economy as a whole continues to be beset by a combination of uncertainty and slow or no growth, the latest trading figures and surveys of manufacturers reveal remarkably high levels of confidence. Nearly two thirds of manufacturing businesses taking part in the latest MAS 'barometer' – a quarterly survey of over 800 companies nationally and 160 companies within the region, commissioned by the Manufacturing Advisory Service – expect to increase sales over the next six months. Appetite for investment has also seen an upturn, with over 40% of companies in Yorkshire and Humber planning to boost spending on new technologies and nearly half intending to invest in new machinery and premises.²





That confidence is reflected in the results of the latest *Manufacturing Outlook* survey from EEF, the manufacturing employers' organisation, and business advisors BDO.³ According to the survey, manufacturers are reporting the strongest output and order balances for a year. However, while sales have picked up in the domestic market, exports remain weak and, across the board, manufacturing investment remains some 19% below its pre-recession levels.

Undoubtedly the sector faces major challenges. Transport, energy and raw material costs continue to place pressure on margins, while access to finance is a major obstacle to capital expenditure and investment. Projections indicate an increase in manufacturing output and productivity over the next decade.⁴ However, employment trends point to further decline in the manufacturing workforce, albeit at a much slower rate than before. Continued investment in training and skills, developing export markets, new products and process innovation will therefore be critical to securing the long term future of the UK's manufacturing sector.

This report sets out some of the challenges and opportunities facing manufacturing in Leeds and the commitment of key partners to doing more to support the sector. Increasing the take up of the support and advice already on offer through organisations such as MAS, EEF, UKTI, the Chamber and the Leeds City Region's business growth programme is one of the ways to support individual manufacturing companies.

But there's much more that can be achieved by working together, by collaborating with training and education providers, by leveraging our influence and relationships and by drawing on the expertise of private sector partners to develop broader initiatives that will benefit the sector as a whole. This report recognises that manufacturing has a key role to play in securing and creating employment and it sets out our commitment to work together in ways that add real value to and strengthen a sector that is vital to the city's long term growth and prosperity.

1. Manufacturing in the UK – BIS Economics Paper 10A.
2. MAS National Manufacturing Barometer, Q4 January – March 2013
3. Manufacturing Outlook: EEF/BDO, June 2013
4. Experian Business Strategies, Spring 2012

Manufacturing in the Leeds City Region



Manufacturing outlook

The latest Quarterly Economic Survey of business confidence across the Leeds City Region shows encouraging returns for the manufacturing sector, reflecting growing optimism in the local economy as a whole.⁵ The survey, commissioned by Leeds, York and North Yorkshire Chamber of Commerce, reveals positive net balances across a range of indicators, including domestic and overseas sales, recruitment and overall business confidence.

One in four manufacturers increased their headcount over the last quarter, with similar numbers looking to recruit in the next three months. However, cashflow and cost of finance continue to cause concern and manufacturers say they are experiencing disproportionately greater difficulties recruiting technical and skilled manual staff than employers in other sectors.

Key findings from the Chamber Quarterly Economic Survey	
Domestic sales	37% of manufacturing businesses report increasing sales compared to 20% recording declining sales; 36% report increased forward orders.
Overseas sales	40% report increased sales compared to the previous quarter and 36% report increasing forward orders.
Employment	One in four increased their headcount in the last three months, with a similar number looking to recruit in the next three months.
Business confidence	One in two companies think turnover will improve in the next 12 months and 52% expect profits to increase.
Capital investment	A third of manufacturers report increased capital investment in the last three months, up 5% on the previous quarter.
Finance	Cashflow is still an issue for manufacturers and got worse in the last quarter, while the cost of finance is now 'a concern' for one in five small manufacturers.
Recruitment difficulties	Over half of manufacturers (56%) reported difficulties recruiting skilled manual and technical staff compared to just over a quarter (26%) of companies in the service sector.

5. Leeds City Region Quarterly Economic Survey, June 2013

Challenges and opportunities

Leeds has a relatively lower proportion of jobs in manufacturing than the wider city region as a whole, with manufacturing accounting for 7.9% of jobs in the city. There are between 1,700 and 1,800 firms in the sector, the vast majority of which are SMEs. Productivity is also much higher than in other sectors of the Leeds economy, in some cases as much as 25% higher. As a result, the manufacturing sector punches above its weight, generating over 11% of the city's total output. Significantly, forecasts indicate that output is set to grow by 17% over the next ten years.⁶

A higher proportion of the city region's advanced manufacturing is concentrated in Leeds: 43% of advanced manufacturing firms and 25% of the city region's employment in advanced manufacturing is located here. According to OECD definitions, the key advanced manufacturing sub-sectors – those based on 'high' and 'medium high' technology – for Leeds and the city region include fabricated metal products and manufacture of machinery and equipment. Smaller sub-sectors, in which Leeds has a higher proportion of its advanced manufacturing than nationally, include: pharmaceuticals; medical and dental instruments and supplies; and electrical equipment.

Yet research commissioned by the Leeds City Region and undertaken by independent consultancy Mazars LLP, indicates that the proportion of employment in high and medium

high technology sectors is lower in Leeds and the city region than in England taken as a whole.⁷ It is clear from the research and from the case studies included here that many companies in 'more traditional' sectors do exhibit advanced manufacturing behaviours, particularly in their approach to R&D and to innovation around process and new product development. Indeed, the Mazars report shows that a large number of manufacturing firms have the characteristics and behaviours more readily associated with the service sector.

The challenge for manufacturing in Leeds and the wider city region nevertheless remains: if the sector is to remain competitive and be sustainable in the future, manufacturing firms must continue to improve productivity. Lord Heseltine's recent report on how to stimulate economic recovery and growth draws attention to the continuing productivity gap between the UK and its major international trading partners in the US, Germany and France. That gap is most apparent in manufacturing: the average UK worker, he points out, has to work ten hours to produce the same output that a worker in the US could produce in eight. How much more could we do, he asks, if we enabled UK workers – through investments in skills, infrastructure, capital equipment and R&D – to be as productive as our leading competitors?⁸

6. Experian Business Strategies, Spring 2012.

7. Advanced Manufacturing in the Leeds City Region, November 2012. The report draws on OECD data and a survey of 600 manufacturing firms across the Leeds City Region. The survey sample was constructed using a stratified random sample of firms, drawn from Experian data and designed to be representative of the number of manufacturing companies within each local authority area.

8. No stone unturned in pursuit of growth: Lord Heseltine, March 2013

9. More than making things: a new future for manufacturing in a service economy: Work Foundation, March 2011

More manufacturing firms also need to move up the value chain. Continued investment in technology and R&D is essential to improving productivity. However, the most successful modern manufacturing firms do more than just make things. As the Work Foundation report on the rise of 'manu-services' argues, they sell *solutions*, involving sophisticated combinations of products and services that rely on more than just high or medium technology but also require a highly skilled workforce, innovation and collaboration with universities and research institutions.⁹

Research on manufacturing in the Leeds City Region tends to support this thesis and shows that firms in more advanced sectors generally undertake more activities across the full manufacturing value chain, from R&D through to logistics and after sales support. It also shows that, proportionally, manufacturing firms in Leeds undertake more R&D and product development than those in the Leeds City Region as a whole. Those firms also have a more highly skilled workforce, are more likely to export and are more optimistic about future prospects in relation to staff, turnover and capital investment. They tend to collaborate more with universities and other higher education institutions.

Priorities for action

Key findings from research on advanced manufacturing in the Leeds City Region include:

Barriers to growth

The current economic climate, lack of demand, cashflow and access to finance – in particular, lack of bank lending – were the most often cited barriers to business growth. In the current climate, investing for growth is a challenge for businesses across all sectors of the economy.

However, well over half of manufacturing firms surveyed had made capital investments in the last 12 months and a similar number had further investment planned over the next three years. The availability of publicly supported investment funds, not least the Leeds City Region's £20 million business growth programme, provides a real opportunity to incentivise investment and support employment creation by manufacturers.

Business support

Significantly the majority of firms reported little engagement with or need to engage with public sector organisations or other agencies, except where specific support was needed. Many were also unclear about the support that may be on offer, although where manufacturers have had contact with external bodies, they were generally positive about the support and advice they received.

The main body that companies had contacted for advice, assistance and funding was the Manufacturing Advice Service, followed by their respective local authorities. Higher and further education institutions and UKTI had also been contacted. However, with only 13% of firms reporting contact with agencies of this kind, there is clearly scope for greater uptake of support and advice currently available.



Skills

Across the city region, 36% of staff in companies engaged in advanced manufacturing have degrees or higher qualifications, compared to 21% of all manufacturing firms. Increasing the supply of appropriate skills to meet the needs of the sector as a whole and in particular advanced manufacturers therefore represents a priority for education and skills providers.

With manufacturers also reporting continuing difficulties in recruiting to skilled manual and technical positions, there is a more general need to promote the opportunities presented by careers in manufacturing to school age children and young people leaving school.

Innovation

The report shows varying levels of collaboration with universities, colleges and research institutions, with 23% of all manufacturing firms involved in some form of collaboration, rising to 38% of the most advanced firms. Interestingly, only 19% of firms in Leeds said they collaborated with local universities and other higher education institutions, a lower proportion than for the city region as a whole. With the right offer, levels of collaboration might be increased to the benefit of individual firms and the local economy.

Supply chains

The majority of manufacturing firms principally source over half their supplies from either the immediate area or the wider city region, suggesting a strong local manufacturing supply chain. However, this reduces with more advanced firms, which tend to source more of their supplies from the rest of the UK, Europe or even wider supply chain networks, and may suggest opportunities to grow more locally-based supply chains

Export readiness

Analysis of customer location shows a similar pattern, with the majority of customers of all manufacturing firms located within the immediate area, the city region or the UK. For manufacturing firms in Leeds, however, around 60% of customers are located in Europe and beyond, compared to just 20% for manufacturers in the city region as a whole, indicating that there may be opportunities to increase levels of export activity across the city region.

‘Manufacture’: our commitment to manufacturing in Leeds



Partners are committed to doing more to support the sector and ensure greater take up of the existing business support offer by individual manufacturing companies. One of the ways we will do this is by joining up the existing business support offer to ensure agencies and industry have a better understanding of what's available, as well as how and where to access that support. We will also undertake more focused promotion of the business support offer to ensure greater take up.

But there is more that we can do by working together. While the manufacturing sector in Leeds punches above its weight in terms of its contribution to output, it is an extremely diverse sector with no industry-led organisation to represent the interests and lobbying on behalf of the sector as a whole. It also faces significant challenges which neither industry itself nor any one single organisation can address and resolve on its own.

The concentration and growth of the financial and professional services sector in Leeds is predicated on the presence and strength of manufacturing in the Yorkshire and Humber region. Equally, there is much that the banking sector, legal, accountancy and advisory firms can contribute in terms of expertise, networks and resources to support continued growth of the city's manufacturing sector.

By working together, we can develop sector-wide initiatives that will benefit manufacturing in Leeds as a whole. In collaboration with manufacturers and other partners in the public and private sectors, we will therefore commit to:

- Establish industry-led focus groups, co-ordinated by MAS and made up of local manufacturing businesses, tasked with identifying growth opportunities in key sub-sectors and developing a programme of actions to drive growth in those sectors. The programme will pull together focussed local business/skills support and partners to help achieve defined objectives. Sector groups will also provide vital input to support funding bids to Government to fill any identified gaps.
- Learn from and build on the work of innovative educational programmes such as Primary Engineer to promote the study of STEM subjects in schools and careers in engineering and manufacturing to school age children.
- Take advantage of the recently announced initiative to create a further 100,000 engineering technicians by 2018, working with the further education sector, the city's Apprentice Training Agency and independent providers to develop bespoke training and skills programmes that are driven by demand and meet the long-term needs of the manufacturing sector to replace skills being lost as a result of an ageing workforce and ensure young people entering employment are equipped with appropriate skills.
- Promote the Leeds City Region's business growth programme to manufacturing companies to support capital investment projects that will secure and create high skill and high value employment in the manufacturing sector.
- Work with partners in the commercial property and development sector to promote development of industrial premises and units suitable to the specific requirements of modern manufacturing companies.

- Promote the benefits of the Aire Valley Leeds enterprise zone, which offers business rate relief up to the value of £275,000 over a five year period, to manufacturing companies considering relocation or consolidation of their operations.
- Work with UKTI and other key partners such as Chamber International and the Enterprise Europe Network to profile those manufacturing companies with latent export potential and develop a targeted export support programme to identify opportunities in overseas markets and help new exporters plan and implement international trade strategies.
- Increase collaboration with and improve access to expertise in the higher education sector, in particular, exploiting the research capability and capacity of universities and other institutions within the region to support innovation in technology, materials, products and manufacturing processes.
- Support the Leeds City Region local enterprise partnership in developing its bid for an Advanced Manufacturing Supply Chain Initiative and undertake a programme of supply chain development to ensure manufacturing companies have the necessary accreditations to secure contracts in sectors such as aerospace, defence and power regeneration.
- Leverage the knowledge, networks and resources of partners in the private sector to secure expert advice in areas such as protecting and exploiting intellectual property, and to encourage greater take up of government tax incentives such as enhanced capital allowances, R&D tax credits and Patent Box.
- Raise the profile of the Leeds City Region as a major manufacturing centre and promote the successes of the many highly innovative and, in some cases, world-leading manufacturing companies located here.

Innovation in manufacturing



Kodak: at the forefront of an industry driven by technological innovation and change

Continuous investment, a reputation for and expertise in research and product development, combined with a change in culture has seen Kodak's Leeds plant bucking the trend in an industry many consider to be in steady decline. Not a view held by manufacturing director Phil Ball, though, who sees opportunity and scope for growth in both traditional and emerging markets.

Kodak's plant at Morley, in Leeds, remains highly competitive, despite having been built over 40 years ago. "We've got the shortest production lead times and ours was the first plant to go from traditional analogue plate production to digital," says Ball.

The recent move towards process-free technology, which eliminates the need for pre-press chemical processing for printers, has created further opportunities for the site, with Sonora XP – a 100% process free plate – being the latest product innovation manufactured at the Leeds plant.

The decision to base manufacture of this product in the UK saw Kodak transfer the technology here following the consolidation of worldwide manufacturing. "It was a decision based on our reputation and expertise in product development," says Ball. "We are already exporting our process free plates to the global market, with customers in Japan, North and South America and throughout the European region."

Kodak's Leeds operation started life back in the late 1800s as ink manufacturer Frank Horsell, based in Holbeck. The company moved into the current location in 1970, manufacturing lithographic printing plates. For the last decade, Kodak has continued to invest heavily in the Leeds plant with a series of multi-million dollar upgrades to infrastructure, plant and processes.

Looking ahead, Ball sees no cause for concern, quoting industry figures, which show that worldwide, out of circa 68 trillion pages printed annually, 64 trillion are still printed using litho plates.

"Digital print allows for personalisation but it is still only a fraction of the total market. And while digital will certainly grow, litho printing still has many, many, years of life ahead of it." He adds that more and more printers are now opting for hybrid technology, which involves fitting digital print heads to traditional presses, thus giving the economies of scale associated with litho printing plus the personalisation offered by digital.

Kodak's US parent company is now in the final stages of a Chapter 11 bankruptcy protection process, something it has been going through for the last 18 months, and a process from which it expects to emerge in the third quarter of this year. That emerging business will be a commercial imaging business, solely focused on commercial, packaging and functional printing, and on enterprise service businesses. The Leeds operation will form a significant part of the emerging business.

That Kodak's Leeds plant should find itself in such a strong position, given the changes that have shook the company, the industry, and indeed the economy as a whole, is testimony to the continued investment and confidence in the site – not only in technology, but also in workforce development and continuous improvement. Indeed, out of its more than 225 strong workforce, 30 staff have green and black belt accreditation in Lean Six Sigma, regarded as the holy grail of modern manufacturing practices by way of its relentless search for process improvement and quality control.



“The operating culture has been transformed as the site has adapted to the changing environment,” says Ball, adding that the Leeds plant has a strong team ethic.

“Through frequent and open communication with all site employees, we have developed a shared understanding of our situation, our challenges, and what we can all do to contribute to the success of the site and the business as a whole. This feeling of shared ownership and responsibility is what’s really been the key,” says Ball, confident that Leeds will continue to remain a key operations centre for Kodak, and for the printing industry, for many years to come.

“

That Kodak’s Leeds plant should find itself in such a strong position, given the changes that have shook the company, the industry, and indeed the economy as a whole, is testimony to the continued investment and confidence in the site – not only in technology, but also in workforce development and continuous improvement.

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Manufacturing supply chain



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Working with the management team, we have implemented a host of lean, supply chain and manufacturing improvement projects that have contributed to the firm being a supplier of choice for some of the world's biggest aerospace primes.

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Supply chain boost lands aerospace contracts for **Produmax**

Precision engineering specialist Produmax has seen turnover grow to a record £4.75 million, after a twelve month period in which it has secured major new aerospace and defence contracts.

A supplier to the aerospace, medical, military and telecoms industries, the company has invested £1 million in new technologies to win the contracts, one of which involves producing gearbox housings for the flap mechanisms on a revolutionary new airliner.

It has also worked with the Manufacturing Advisory Service (MAS) to develop its supply chain capability to world class standard and achieve greater efficiencies in lead times and its manufacturing processes.

Aerospace and military 'primes' demand the best possible innovation, manufacturing and cost performance from their suppliers. Despite a solid reputation within the sector, Produmax was increasingly being squeezed by low cost competition from China and India.

In order to win the next generation of long-term production contracts, the company recognised it had to make manufacturing cycles quicker, whilst also finding ways of adding value to customers through cost savings and innovation in design and materials.

"In some cases, we were looking at having to secure up to 60% cost reductions in order to win the contract against international rivals," says managing director Jeremy Ridyard. "The only way we could do this was to take a step back and look at where the business was and where we needed to be going forward. This wasn't something we could do on our own."

MAS appointed consultant David Hood to work with the management team on a series of projects designed to turn Produmax into a world-class supplier to the aerospace and defence sector.

Tapping into expertise and support from the Advanced Manufacturing Research Centre, in Rotherham, helped to develop machining strategies that have reduced cycle times. Improvements to factory layout and workflows and a commitment to the *SC21 World Class Supply Chain* standard also resulted in significant improvements in efficiency and customer confidence.

MAS adviser David Whiteley said: "Produmax is probably one of our biggest success stories. Working with the management team, we have implemented a host of lean, supply chain and manufacturing improvement projects that have contributed to the firm being a supplier of choice for some of the world's biggest aerospace primes."

"Having that external knowledge, a different skills set and knowing where to go for certain support has proven invaluable," says Ridyard. "Winning these high-profile orders has secured the long-term future of our business and MAS has played a major role in this by ensuring we operate at world class manufacturing levels."

Investing in manufacturing



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The apprentice training area demonstrates our continued investment in the next generation of skilled engineers. In the current economic climate it isn't easy for young people to get into employment but we want to do our bit by offering them a really high quality training programme.

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Craftsman invests in future of engineering

Craftsman Tools, which is celebrating its 60th anniversary this year, has opened a dedicated apprentice training facility as part of its commitment to continued growth and to bringing new blood into engineering. The family-led firm, which specialises in toolholding, workholding and sub-contract machining, now has a workforce of 63, including six full-time apprentices, and continues to invest in the business, in technology and its workforce.

Around 51% of Craftsman's sales in 2012 were directly exported with a substantial amount of the remainder indirectly exported. The Otley-based company also expanded its West Yorkshire site, adding an extra 5,000 sq ft of production space and investing over £500,000 in new machinery, including a new horizontal boring machine for machining larger workholding equipment and parts for the oil industry. The new premises and equipment were funded with help from Leeds City Council in the form of grants amounting to £15,000.

This substantial investment over the last 18 months has allowed for an increase in production capacity and the company is aiming for a 30% increase in turnover this year. The investment has so far added three new jobs, with the potential for two more apprentices to join the workforce this year.

A range of new products, including those developed with the aid of a £200,000 research and development grant from the Technology Strategy Board, was launched last year at MACH 2012, the Birmingham showcase for UK manufacturing. Visited by Secretary of State for Business, Vince Cable, the company's exhibition stand featured equipment designed to provide improved stability during machining and a portable hardness tester for on-site components inspection, developed in partnership with Cameron in the USA.

Now Craftsman is investing in the future of engineering: "The apprentice training area demonstrates our continued investment in the next generation of skilled engineers," says managing director Robert Johnson. "In the current economic climate it isn't easy for young people to get into employment but we want to do our bit by offering them a really high quality training programme."

Partnerships with major global companies such as Cameron, Sulzer, Sandvik Coromant and Yamazaki Mazak, the world's largest manufacturer of metal cutting machine tools, have been one of the keys to the continuing success of Craftsman. In 1998 Sandvik Coromant awarded Craftsman a license to manufacture and export Coromant Capto™ toolholders, still one of the company's best-selling products. Craftsman also produce a wide range of static toolholders for CNC lathes manufactured by Mazak and recently won a £50,000 order from one of Mazak's Russian-based distributors.

Export orders are now being shipped by Craftsman to some 32 countries worldwide, including the USA through its Chevin Tools outlet in Chicago. China is a new market for the company and one it is looking to exploit further, exhibiting for the first time in April of this year at the China International Machine Tool exhibition in Beijing.

Johnson said: "China offers huge potential and we were very pleased with the number of enquiries we received at the show. We're following up on these and are optimistic that, with the help of a new distributor in China, we will see our sales of both workholding and toolholding increase in this market."

Reshoring manufacturing



From fleece to finished product: Laxtons reverses the trend

Laxtons is one of only a few worsted yarn spinners left in the UK. The irony isn't lost on James Laxton who has brought yarn spinning and finishing back to the UK nearly a decade after the company took its manufacturing operations overseas.

From a standing start in January 2010, Laxtons has invested heavily in machinery and processing, most recently pumping £150,000 into equipment for a new finishing department with the help of a £18,000 grant from the Leeds City Region's business growth programme.

The programme offers grants starting at £10,000, rising to £1 million for the largest projects, to support capital investment and business growth. Support is available to companies in a range of sectors, including manufacturers, across the city region, and covers up to 20 per cent of an individual capital investment in premises fit outs, capital costs associated with relocation, purchase of new machinery and equipment.

"Twelve months ago we doubled production capacity in some of our spinning and last month we brought the finishing department inline. We are still looking to expand but the investment in finishing isn't designed to drive an increase in turnover: the aim is to reduce costs and give us greater control over quality and flexibility."

Originally based at Prospect Mills in Keighley, Holmes Laxton & Co started in 1907. At its height, the company was one of the biggest fancy yarn spinning mills in Europe, employing a workforce of nearly 600.

Laxtons closed its UK operation in 2001 and the return journey has therefore meant setting up from scratch. James Laxton, the fourth generation of his family to run the business, was forced to scour Europe for specialist equipment no longer available in the UK. Equipment wasn't the only thing he struggled to source. Skills were also in short supply, a result of the decimation of the UK textile industry in the eighties and nineties.

"I'd say 90 per cent of people who come to us for a job have never worked in a mill and there's no external body out there who can train our staff with the skills we require." Bespoke training requirements mean the workforce had to be trained on the job, an additional cost to the business.

"In other industries you'd be able to claim 50 per cent of training costs. On paper that sounds great but none of the external providers are equipped to provide the kind of training we need."

The system is just too inflexible, Laxton argues: while skills are in short supply, the education system isn't equipping people with the skills that employers need either at entry level or at a higher professional level. "I'd love to bring in apprentices but the things they'd be learning when they're not in the workplace are just not relevant to the business."

Likewise, colleges are turning out some very strong designers for the textile and fashion industries. "But all too often they have little knowledge of manufacturing processes or the commercial dimensions of textile manufacture."

Energy supply was another major challenge. "Returning to the UK, I thought it would be easy to find premises with sufficient power but it proved more difficult than I'd ever imagined." Premises were plentiful, he remembers, but with up to 12 months lead time from order to power installation, it was an impossible situation. "We couldn't afford to have machinery lying idle, waiting while we were connected up to the mains supply."

Luckily they landed on a former mill building in Guiseley, which was being used for storage at the time and came with the power supply Laxton needed to get started.

Quality and innovation key to success

Despite the challenges, Laxton is clear about where the opportunities lie for UK textile manufacturing. The company's core markets home and abroad, split 50-50 to spread risk, include yarn produced for hand and machine knitting, yarns for woven apparel and yarns woven into upholstery fabrics. But it's the middle to high end of the market that Laxtons is focussed on.

"There's very little mass market textile production left in the UK and, if there is, then manufacturers are struggling. Eastern Europe is less of a threat and China is becoming expensive. Labour costs there, combined with shipping costs, are prohibitive and quality is still very unpredictable."

But as major clothing brands continue to switch production from one part of the world to another to keep costs as low as possible, it's impossible to compete with Turkey, India and Asian countries such as Cambodia.

"UK manufacturing has to be based on niche markets, flexible production runs, high quality and innovation," says Laxton. "Customers can get cheaper yarns abroad but they have to buy it in bigger quantities and there's less control over quality and service."

This is where UK manufacturing can gain competitive advantage in niche markets: "Instead of letters of credit, which effectively mean paying upfront, buying from UK suppliers can help with cashflow. Higher quality also means better machine processing efficiencies and there are fewer or even no returns.

"By paying not massively more for a quality yarn, the true cost of production can be significantly reduced," says Laxton, estimating that savings of up to 15 per cent can be made on overall true fabric costs.

Innovation and provenance are also key to staying ahead of the competition. He quotes the example of a carpet developed by Laxtons and sold through Harrods. Combining silk with high quality wool, it retailed at the princely sum of £280 per square metre.

"Developing it presented serious technical challenges because of the nature of the materials but our innovation cycle is massively reduced because we can do it all in house. So, from designing the product through to getting it into bulk production, took just eight weeks.

"If you were to try to do that abroad it could take 12 months and even then it might prove abortive because of the language barrier, because of transportation and because there's no interest in halting large scale production to produce short test runs."

Hugely important in overseas markets, the British woolmark still carries a cachet that many would be keen to imitate. "The Australians are investing massively in brand development and awareness, while in China, you could see 'Made in Britain' literally being stitched into cloth."

As the only worsted spinner in the UK licensed to use the woolmark, Laxtons enjoys an advantage in domestic and overseas markets. The woolmark gives Laxtons a guarantee of quality that underpins the company's own brand and reputation.

"It's important to our customers because it adds provenance. We recently produced the yarn for a Jaeger Menswear jacket, where the wool travelled literally no more than 40 miles from fleece to finished product."



“

UK manufacturing has to be based on niche markets, flexible production runs, high quality and innovation. Customers can get cheaper yarns abroad but they have to buy it in bigger quantities and there's less control over quality and service.

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Leeds manufacturing: sector analysis

Composition

The most recent official figures on the number of manufacturing firms date from 2008, since when the number of manufacturing firms in Leeds has fallen with recent estimates from the Inter Departmental Business Register (IDBR, 2012) suggesting around 1,700 firms, with 99% of the business stock made up of SMEs.

Manufacturing employment estimates vary between 29,200 (2011 BRES data) and 31,400 (2013 REIU/Experian Business Strategies). Looking at future trends it is anticipated that employment in manufacturing will continue to decline, while output and productivity are forecast to increase over the next ten years to 2023.

Key sub-sectors by employment are shown below.

Top 20 employment sub-sectors (2008-11)

The data needs to be treated with some caution but the table overleaf shows decline in general printing, a static position in terms of medical products/supplies, growth in areas like electric motors/generators (partly driven by inward investment by companies like Siemens and Mitsubishi), offset by declines in other areas such as manufacture of kitchen furniture, caused by the relocation of the Symphony Kitchens group to Barnsley. In general the data suggests a general tightening in employment reflecting tough economic conditions post 2008.

Manufacturing companies	Units		Employees	
	Units	%	Employees	%
1-10 employees	1,313	72.3%	4,350	12%
11-49 employees	343	18.9%	7,900	22%
50-199 employees	125	6.9%	10,700	30%
200 or more employees	34	1.9%	13,050	36%
TOTAL	1,815	100%	36,000	100%

Source: ABI 2008 (Nomis). Comparable data not available from BRES

Leeds major manufacturing sub-sectors	2008	2011	% change
Engineering	11,000	10,100	-8
Printing and publishing	4,800	4,000	-17
Food and drink	3,900	3,500	-10
Chemicals and products	2,200	2,100	-4
Clothing and textiles	1,500	1,900	30
Other manufacturing	9,100	7,700	-16
TOTAL	32,500	29,300	-10

Source: BRES employees

RANK	Sub Sector by name and 5 digit SIC Code (2007)	Employees		Employment Change	
		2008	2011	No	%
1	18129 : Printing (other than printing of newspapers and printing on labels and tags) nec	2,300	2,000	-300	-13
2	32500 : Manufacture of medical and dental instruments and supplies	1,500	1,500	0	0
3	25620 : Machining	1,100	900	-200	-18.2
4	24200 : Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	900	800	-100	-11.1
5	27110 : Manufacture of electric motors, generators and transformers	300	800	+500	+166.7
6	31020 : Manufacture of kitchen furniture	1,600	700	-900	-56.3
7	17219 : Manufacture of paper and paperboard containers other than sacks and bags	700	700	0	0
8	31090 : Manufacture of other furniture	400	700	+300	75
9	20420 : Manufacture of perfumes and toilet preparations	900	700	-200	-22.2
10	10710 : Manufacture of bread; manufacture of fresh pastry goods and cakes	1,100	700	-400	-36.4
11	21200 : Manufacture of pharmaceutical preparations	500	600	+100	20
12	13200 : Weaving of textiles	500	600	+100	20
13	27400 : Manufacture of electric lighting equipment	400	600	+200	50
14	10390 : Other processing and preserving of fruit and vegetables	100	600	500	500
15	25990 : Manufacture of other fabricated metal products nec	300	500	+200	66.7
16	28131 : Manufacture of pumps	400	500	+100	25
17	22290 : Manufacture of other plastic products	500	500	0	0
18	18130 : Pre-press and pre-media services	700	500	-200	-28.6
19	29100 : Manufacture of motor vehicles	800	500	-300	-37.5
20	28250 : Manufacture of non-domestic cooling and ventilation equipment	600	500	-100	-16.7
Totals		15600	14900	-700	-4.5



For further information about business support for manufacturing in Leeds, contact:

Leeds City Council

Email: businesssupport@leeds.gov.uk
www.leeds.gov.uk/business

Manufacturing Advisory Service

Email: advice@mymas.org
www.mymas.org

Leeds, York and North Yorkshire Chamber of Commerce

Email: representation@yourchamber.org.uk
www.yourchamber.org.uk

Leeds City Region

Email: lcr@leedscityregion.gov.uk
business.leedscityregion.gov.uk

Report of Head of Strategic Planning, Policy & Performance

Report to Scrutiny Board (Sustainable Economy and Culture)

Date: 17 December 2013

Subject: Performance Management Framework

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. Changes to the corporate Performance Management Framework offer the opportunity for Scrutiny Boards and each of the City Priority Plan Partnerships, to review the performance information which they receive.
2. Given the need to use resources as effectively as possible, the information provided should be proportionate and focus on the detail which is most helpful in assisting the Scrutiny Board to consider progress against the relevant priorities identified in the Best Council Plan and City Priority Plan.
3. The Sustainable Economy and Culture Partnership has reviewed the way it receives such information and has agreed it's needs are best served by a high level, single side report with further actions sitting below which are then monitored by a Performance Steering Group as a sub-group of the main Board.
4. Following previous discussions at this Scrutiny Board, this report offers some alternatives to consider in relation to future performance reporting information.

Recommendations

- 1.1 It is recommended that a report is submitted to this Board each quarter which identifies areas where there is concern with progress against priorities, and also highlights any particularly noteworthy achievements; and
- 1.2 That the report will be based on:
 - The Sustainable Economy and Culture Board progress update;

- The relevant section of the CLT ‘yes/no’ document; and
- The City Development Directorate quarterly performance report.

2 Purpose of this report

- 2.1 This report provides an update for the Sustainable Economy and Culture Scrutiny Board on changes to the Council’s Performance Management Framework, and suggests some possible performance information which can then form the basis of quarterly performance reporting to the Board.

3 Background information

- 3.1 When the City Priority Plan Partnership Boards were first established, the council’s Performance Management Framework required that performance against each of their priorities was reviewed on a quarterly basis. At the same time, each Directorate submitted performance data against its priorities in the Council Business Plan. These reports were used to inform a variety of audiences including Scrutiny, Corporate Leadership Team, Executive Board and the Leeds Initiative Board.
- 3.2 Following the demise of the Leeds Initiative (and its corresponding Board) earlier this year it has been agreed that each Partnership will establish the performance management arrangements which will best ensure it manages progress against its identified priorities.
- 3.3 The Council Business Plan has been superseded by the Best Council Plan 2013 – 2017 which reflects the current ambition to be the best city in the UK and endorses the new leadership style of civic enterprise set out in the findings of the Commission on the Future of Local Government.
- 3.4 Performance reporting was suspended for quarter 1 of 2013/14, while the new arrangements were in development. It is now pertinent to review the options for providing information to Scrutiny Board’s which will assist them to consider progress against the full range of these priorities.

4 Current Position

- 4.1 Progress against the City Priority Plan priorities is no longer covered by a single reporting framework, and the reports which were previously submitted to Scrutiny Boards are no longer produced. However, these changes do offer the opportunity to develop a new process which fits the needs of individual Boards.
- 4.2 The Sustainable Culture and Economy Board have determined that at each of its meetings it will receive a progress update against a number of areas which support the Board’s 3 City Priority Plan priorities (Appendix 1).
- 4.3 Progress against priorities in the Best Council Plan will continue to be reported corporately each quarterly together with a simple ‘yes/no’ document intended to provide assurance to the Corporate Leadership Team that progress against priorities is on track. Essentially, this requires the Lead Officer for each of the council’s 2013/14 priorities to indicate whether a CLT discussion is required regarding progress against the priority (Appendix 2).

- 4.4 To complement the corporate requirements, each Directorate has established a reporting framework to meet its own particular needs. In City Development, a quarterly report is produced that pulls together progress against the directorate priorities in a single document, which is then used for further discussion (Appendix 3). An underlying range of management information is also being developed to help drive business improvement and development; for example in relation to budget pressures such as projecting levels of New Homes Bonus.
- 4.5 To ensure the best use of resources, it is important that performance reporting is proportionate and focuses on information which is of most benefit to service improvement, the delivery of priorities and consideration of progress. There are clearly a number of reports currently being generated and these now need to be reviewed in the context of the information Scrutiny wish to receive to enable them to be able to clearly consider the level of progress being made.

5 Recommendations

- 5.6 It is recommended that a report is submitted to this Board each quarter which identifies areas where there is concern with progress against priorities, and also highlights any particularly noteworthy achievements; and
- 5.1 That the report will be based on:
- The Sustainable Economy and Culture Board quarterly progress update;
 - The relevant section of the 'yes/no' document; and
 - The City Development Directorate quarterly performance report

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3 Priorities

Driving the sustainable growth of the Leeds economy to support the creation of new jobs and skills

Promote low carbon businesses, buildings, energy generation and connectivity across the City

Raise the profile of Leeds and its cultural opportunities

3 Obsessions

Maximising job growth

Becoming a low carbon city

Enjoying an active & creative city

7 - 10 Big Ideas?

Progress Update – November 2013

3 Obsessions



Test the potential for developing an international business conference and exhibition facility	<i>Focus group met 4.10.13; update SECB 25.11.13</i>	G
Increase the leverage of the city's food and drink sector	<i>Taken to SECB on 9.9.13</i>	A
Create new business training hubs to develop the skills required for the 21 st century	<i>Agenda item for SECB meeting 4.2.14</i>	A
Develop a programme to help people of all ages improve their digital skills	<i>Agenda item for SECB meeting 4.2.14</i>	A
Develop a new city-wide adult skills strategy, working with the city's FE and HE providers	<i>Agenda item for SECB meeting 4.2.14</i>	A
Aspire to achieve zero youth unemployment in Leeds		R
South Bank – opportunities for regeneration, City Park and preparations for HS2	<i>Introduction at SECB meeting 25.11.13</i>	A
<i>Drive a large campaign to influence human behaviour and culture change to meet the city's low carbon targets</i>	<i>Agenda item for SECB meeting 25.11.13</i>	A
Position Leeds as the most active city in the UK	<i>Vision for Sport discussed at SECB on 9.9.13</i>	A
Create a lasting legacy from hosting the Tour De France Grand Depart 2014	<i>Vision for Sport discussed at SECB on 9.9.13</i>	A
Test the city's appetite for competing against other UK cities for designation of European Capital of Culture 2023	<i>Cllr Yeadon to host meeting in Jan 2014 to consider the proposal</i>	G

Implementation of the Best Council Plan 2013-17 Update for CLT January 2014



Best Council Objectives & 2013/14 priorities	CLT	To discuss?				
		Nov '13	Jan '14	Feb '14	Mar '14	May '14
Ensuring high quality public services						
Development and implementation of asset rationalisation plan	MF	N				
Quality Highways Assets including carriageways and structures (e.g. tunnels and bridges)	MF	N				
Housing Management Review	NE	N				

Promoting sustainable and inclusive economic growth	CLT	To discuss?				
		Nov '13	Jan '14	Feb '14	Mar '14	May '14
Maximise employment opportunities for local residents	MF	N				
Progressing key infrastructure projects	MF	N				
Deliver Local Development Framework	MF	N				
Develop a coherent approach to meeting housing need.	MF/ NE	Y				
Enjoy an active and creative city where all cultural organisations feel they have a voice and influence over cultural direction	MF	N				
Enjoy an active and creative city where inactive people have become active	MF/ IC	N				
City Growth Deal	MF	Y				
Attract large-scale external investment in low-carbon technologies to Leeds	NE	Y				

Implementation of the Best Council Plan 2013-17 Items to be discussed by CLT November 2013



Objective: Ensuring high quality public services	Update by
Priority: <i>Specify which priority it is</i> 1-2 sentences to prompt discussion	CLT member
Priority: <i>Specify which priority it is</i> 1-2 sentences to prompt discussion – ADD EXTRA ROWS AGAINST EACH OBJECTIVE AS NEEDED, ONE FOR EACH PRIORITY	CLT member

Objective: Promoting sustainable and inclusive economic growth	Update by
Priority: 1-2 sentences to prompt discussion	CLT member

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	A	B	C	D	E	H	I	J	K	L
1	DRAFT CITY DEVELOPMENT DIRECTORATE OUTLOOK Q2 2013/14									
2	Area	Priorities / Boards	Our Priorities	Actions	Our Measures	Target/Milestone	Q1 Result	Q2 Result (*cumulative)	RAG	Direction Of Travel

	A	B	C	D	E	H	I	J	K	L		
1	DRAFT CITY DEVELOPMENT DIRECTORATE OUTLOOK Q2 2013/14											
2	Area	Priorities / Boards	Our Priorities	Actions	Our Measures	Target/Milestone	Q1 Result	Q2 Result (*=cumulative)	RAG	Direction Of Travel		
8	Partnership Performance	Sustainable Economy and Culture Board	Best City for Business (CPP)	Deliver the Sustainable Economy and Culture Board City Priority Plan	N/A	N/A	SEC Board Meeting arranged for 9th Sept	Sec Board Meeting arranged for 25th Nov.	■	↔		
9				BUS 1 – Driving the sustainable growth of the Leeds economy to support the creation of new jobs and skills	PI: In development	N/A	See below					
10				BUS 2 – Promote low carbon businesses, buildings, energy generation and connectivity across the city - (Neil Evans)	PI: In development	N/A	See below					
11		BUS 3 – Raise the profile of Leeds and its cultural opportunities (Cluny MacPherson)	PI: In development	N/A	PI in development/ under review.	PI in development/ under review.						
12		Housing and Regeneration Board	Best City to Live (CPP)	LIV 1 - Maximise regeneration investment to increase housing choice and affordability (Christine Addison)	PI: Increase the number of new homes built each year	>1650 Homes (Result for 2012/13)	518	1134*	■	↑		
13				PI: Increase the number of affordable homes built per year	>360 Affordable Homes (Result for 2012/13)	98	240*	■	↑			
14				PI: Increase the number of long-term empty properties brought back into use	>3265 Empty Properties (Result for 2012/13)	E&H working to resolve data issues. Result expected Q2.	1752*	■	↑			
15				LIV 2 - Enable growth of the city whilst protecting the distinctive green character of the city. (Christine Addison)	PI: Minimum ratio of 65:35 development of new homes on brownfield:greenfield land.	>=65:35 Ratio	67:33 ratio	73:27* Ratio	■	↑		
16				Boosting the local economy	PI: Optimise the current amount of the Business Rates base level (% growth)	% Growth to Equate to £5.28m	PI in development	Reported Annually				
17		Within Council Performance (Best Council Plan)	Promoting sustainable and inclusive economic growth (BCP)	Improving the Economic Wellbeing of Local People and Businesses.	Helping people into jobs	PI: Increased number of jobs in Leeds	TBC	PI in development	PI in development			
18	PI: 250 apprenticeship starts				250 Apprenticeship Starts	-42-51 (amended)	131*	■	↑			
19	PI: 2700 residents supported into jobs				2700 Residents	747	1882*	■	↑			
20	PI: 6000 people with improved skills				6000 People	2007	6431*	■	↑			
21	PI: Increased percentage of working age population that is economically active				>67.5% (Result for 2012/13)	69.0%	68.8%	■	↓			
22	Generating income for the Council				PI: Maximise income from Capital receipts	£12m	£4,467k	£6,067k*	■	↔		
23	Develop a coherent approach to meeting housing need				PI: 3200 empty properties brought back into use	3200 Properties	E&H working to resolve data issues. Result expected Q2.	1752*	■	↑		
24					PI: There will be a 300 net reduction in long term empty homes (Baseline: 5,627)	5,327	E&H working to resolve data issues. Result expected Q2.	4,457	■	↓		
25					PI: 407 affordable houses provided	407 Houses	98 Houses	240* Houses	■	↑		
26					PI: 2200 new housing units delivered	2200 Units	518 Units	1134* Units	■	↑		
27	Becoming an efficient and enterprising Council (BCP)				Maximising Income and Trading	Keep within budget	PI: Optimise amount of New Homes Bonus secured	2,000 (Band D Equivalent Homes measured 1st Oct 2012 - 30th Sept 2013)	1,692 Homes (Band D Equivalent Homes as at 31/07/13)	1,997* Homes (Band D Equivalent Homes as at 30/09/13)	■	↑
28							PI: Reduce the number of people killed or seriously injured	<=280 (Reported Jan-Dec 2013)	70	127* (Q2-57)	■	↑
29	Ensuring High Quality Public Services (BCP)				Improving Roads	Quality highways assets	PI: Maintain the percentage of roads assessed as in need of structural repair	5%	Reported Annually			
30		PI: Reduce the percentage of highways' structures in need of essential repair	34.5%	Reported Annually								
31		PI: Significant reduction in the running costs of the asset base (Baseline £43.5m)	No target set	Reported Annually								
32	Improving Quality and Efficiency	Asset Rationalisation Plan		PI: Over 90% of buildings in good or excellent condition (Baseline 82% 2012/13)	>90% Buildings	84%	84%*	■	↔			
33				PI: Reduce Carbon Footprint of Our Buildings	3% reduction pa (2012/13 CO tonnage?)	7.8% increase compared with Q1 2012/13	Expected late-Nov					
34												

Report of Head of Scrutiny and Member Development

Report to Scrutiny Board (Sustainable Economy and Culture)

Date: 17 December 2013

Subject: Work Schedule

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Board's draft work schedule is attached as appendix 1. The work schedule reflects discussions at the Board's meeting in November. It will be subject to change throughout the municipal year.

Recommendation

2. Members are asked to consider the work schedule and make amendments as appropriate.

Background documents¹

None used

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

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Scrutiny Board (Sustainable Economy and Culture) Work Schedule for 2013/2014 Municipal Year

Area of review	Schedule of meetings/visits during 2013/14		
	June	July	August
Jobs and skills Inquiry			
Leeds Let's Get Active Scheme Inquiry	To agree terms of reference SB 18/6/13	Session One SB 16/7/13	
Tour de France			
Call In			West Park Centre SB 6/8/13
Requests for scrutiny	Party in the Park	Residents' Parking Permit Schemes SB 16/7/13	
Pre-decision Scrutiny		Draft Sports Strategy SB 16/7/13	
Recommendation Tracking		Maximising Powers to Promote Influence and create Local Employment and Skills Opportunities SB 16/7/13	
Budget & Policy Framework Plans			
Performance Monitoring	Quarter 4 performance report SB 18/6/13		
Contributions to the work of other Scrutiny Boards		Youth Offer (led by Children & Families) WG 9/7/13	

Scrutiny Board (Sustainable Economy and Culture) Work Schedule for 2013/2014 Municipal Year

Area of review	Schedule of meetings/visits during 2013/14		
	September	October	November
Apprenticeships Inquiry	Scope inquiry WG 9/9/13	Agree terms of Reference SB 8/10/13	Session One SB 19/11/13
Cultural organisations' engagement with communities Inquiry			Agree terms of Reference SB 19/11/13
Tour de France		SB 8/10/13	
West Park Centre	SB 17/9/13		
Requests for scrutiny		Developers and planning process SB 8/10/13	
Pre-decision Scrutiny	Community Infrastructure Levy draft charging schedule SB 17/9/13	Residents' Parking Permit Schemes SB 8/10/13	
Budget & Policy Framework Plans			
Recommendation Tracking		Young People's engagement in culture SB 8/10/13	
Performance Monitoring			
Contributions to the work of other Scrutiny Boards	Youth offer WG 24/9/13		

Scrutiny Board (Sustainable Economy and Culture) Work Schedule for 2013/2014 Municipal Year

Area of review	Schedule of meetings/visits during 2013/14		
	December	January	February
Apprenticeships Inquiry	WG – meeting with young people Date TBC	Session Two SB 21/1/14	
Cultural organisations' engagement with communities Inquiry			Session One SB 18/2/14
Tour de France			Progress report on preparations SB 18/2/14
Manufacturing Sector	Briefing SB 17/12/13		
Sustainability of events		WG Date TBC	
Requests for scrutiny			
Pre-decision Scrutiny		Strategic Economic Plan Date TBC (Joint with Housing & Regeneration)	
Budget & Policy Framework Plans	Executive Board's initial budget proposals WG 17/12/13	Local Flood Risk Management Strategy SB 21/1/14	
Recommendation Tracking		Scrutiny of Strategic Partnership Board SB 21/1/14	Maximising Powers to Promote Influence and create Local Employment and Skills Opportunities SB 18/2/14
Performance Monitoring	Revised performance framework SB 17/12/13		
Contributions to the work of other Scrutiny Boards	Youth offer WG 10/12/13		

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Scrutiny Board (Sustainable Economy and Culture) Work Schedule for 2013/2014 Municipal Year

Area of review	Schedule of meetings/visits during 2013/14	
	March	April
Cultural organisations' engagement with communities Inquiry		Session 2 SB 15/4/14
Leeds Let's Get Active Scheme	Session Two SB 18/3/14	
Annual review of Partnership	To undertake "critical friend" challenge SB 18/3/14	
Requests for scrutiny		
Pre-decision Scrutiny		
Budget & Policy Framework Plans		
Recommendation Tracking	Young People's engagement in culture SB 18/3/14	
Performance Monitoring		
Contributions to the work of other Scrutiny Boards		

Unscheduled items

Site Allocations Plan – estimated June 2014

Aire Valley Action Plan – estimated June 2014

Community Infrastructure Levy – apportionment of spending and spending priorities – estimated summer 2014 (to include representative from Housing & Regeneration SB)