

Joint Report of Director of City Development & Director of Children's Services**Report to Executive Board****Date: 16th December 2015****Subject: State of the City 2015 – driving skills for the 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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input 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

The 2015 State of the City event was focused on the continuing importance of the city's manufacturing sector. The event brought together Councillors, manufacturers and key local partners to explore the challenges and opportunities facing the sector in Leeds and the lessons that can be learned from manufacturing in developing a resilient and prosperous economy. Central to this is the skills shortage in the sector and how education providers and employers can work more closely to equip young people with the skills needed for careers in the fields of engineering, technology and science which are key to the future of manufacturing.

Through a series of panels, workshops and speeches, four key themes emerged that provide opportunities for the council to play a role in supporting the manufacturing sector for the benefit of all Leeds citizens:

- **Telling and selling the story** of Leeds manufacturing and its continuing importance to the economy as a means getting more young people interested in a career in manufacturing and as a central part of Leeds' offer as a location for business and investment.
- **Fostering innovation and collaboration** between manufacturing businesses and our universities to ensure that Leeds is at the forefront of developing new processes, techniques and products and encourages new innovators and graduate retention.

- **Developing the right skills** and increasing the diversity of the manufacturing workforce, making sure that training and education matches the future needs of businesses and that there are good progression routes at all levels.
- **Supporting business growth** to boost the local economy and jobs, including support for business investment, delivery of infrastructure and a wider range of sites and premises for new and existing businesses.

Since the State of the City event there have been national government announcements regarding changes to business support, including the removal of funding for the Manufacturing Advisory Service. It will be important for the council, representative bodies and businesses to consider the impact of these changes to the business support landscape. The Chamber of Commerce is already talking to its manufacturing members around developing a manufacturing alliance to provide support and better representation for the sector.

Recommendations

1. The 'Main Issues' section of this Executive Board report outlines key actions proposed during or as a result of the State of the City event, under the four central themes listed above. Drawing from those actions Executive Board is recommended to approve the following recommendations, which will be the responsibility of the Chief Officers for Economic Development and Employment and Skills to oversee implementation, with a future update being provided to Executive Board.

Telling and selling the story of Leeds manufacturing

1. For the Council to support measures to better tell the story of Leeds manufacturing, including: facilitating better collaboration between employers and schools; encouraging greater engagement between elected members and manufacturing businesses in their wards; and supporting further development of the Leeds Manufacturing Forum website, newsletter and other communications activity.

Fostering innovation and collaboration

2. Facilitation of greater connections between manufacturers and universities, linking these with initiatives such as the Retail Institute at Leeds Beckett University, the National Facility for Innovative Robotic Systems and the Institute of Medical and Biological Engineering at the University of Leeds, and to national bodies and with programmes such as Innovate UK.

Developing skills and increasing the diversity of the workforce

3. To explore possibilities for greater collaboration between schools and businesses in promoting opportunities offered by a career in manufacturing, including further embedding the awareness among young people and schools of apprenticeship pathways and work to support all schools including the newly established Leeds University Technical College.

4. To look into further opportunities to support diversity in the manufacturing workforce, including 1) considering how the manufacturing sector can be involved in work to increase BAME representation on apprenticeships and 2) collaborate with Women in Science and Engineering (WiSE) in promoting opportunities for women in manufacturing.
5. Look at further means by which the voice of employers can be heard by education and training providers in creating and delivering courses that reflect the needs of local businesses.

Supporting business growth

6. To explore what further support can be given to strengthen the Leeds Manufacturing Forum, working with the Chamber of Commerce and manufacturing businesses.
7. To review how a wider range of sites and premises can be brought forward through means available to Leeds City Council, including, but not limited to, the Enterprise Zone.

1. Purpose of this report

- 1 This report is on the outcomes arising from the recent State of the City event, with reference made in particular to the actions being taken to address the issue of skills shortages within the city.

2 Background information

- 2.1 This year's State of the City meeting on the 25th November was themed around continuing importance of manufacturing and the contribution the sector makes to the city's economy but also the challenges it faces, in particular around skills.
- 2.2 Woven throughout the meeting were contributions from Councillors and from manufacturing employers on the role the sector can play in delivering the Council's 'strong economy, compassionate city' ambition.
- 2.3 As well as expert panels and a key note address from Councillor Leader, Councillor Blake, the event also included workshops on innovation in textiles manufacturing, medical technology, product and design, investing in skill and workforce development and the factory of the future.
- 2.4 In advance of the event study tours were arranged to give councillors the opportunity to visit manufacturers across a range of sectors in wards across the city.

3 Main issues

- 3.1 Key actions emerging from the panels and workshop sessions can be categorised under four central themes, with a central narrative around the importance of getting closer alignment between skills provision, the needs of employers and the aspirations of young people.

3.2 ***Theme 1: Telling and selling the story of Leeds manufacturing***

- 3.2.1 A consistent theme of the day was that Leeds has a powerful story to tell about: the city's rich manufacturing heritage; the diversity and scale of the sector (Leeds has one of the highest concentrations of manufacturing in the UK with around 30,000 jobs in Leeds and 140,000 jobs across the wider City Region); and the world leading and highly innovative companies based in Leeds.
- 3.2.2 A number of the manufacturers present highlighted the fact that their businesses now compete in global markets and need to attract the best talent to remain competitive. They also emphasised that manufacturing and engineering is about more than making things; it is about supporting creativity and design, developing skills and opportunities, innovation and improving the quality of education to inspire future generations.
- 3.2.3 Delegates heard from companies operating in a range of markets and sectors including: DePuy Synthes, the global medical devices group which this year opened a £21 million state of the art research and development facility supporting over 500 jobs; Airedale International which manufactures data centre cooling equipment; AW Hainsworth, established in Stanningley in 1783, which two hundred years ago clothed the British Army at the Battle of Waterloo and which continues to innovate today with a world leading line in fire resistant material. They also heard about the recent announcement of Burberry bringing over 1000 jobs into the centre of Leeds, creating a flagship state of the art facility.
- 3.2.4 Telling these and other stories of Leeds manufacturing would bring benefits in terms of attracting inward investment, increasing the reputation of the city in sectors like medical technology and textiles, attracting new businesses and the next generation of innovators, helping to reduce the skills shortages and promoting a career in the sector to children and young people from all backgrounds.
- 3.2.5 Actions agreed and already taking place to tell the story:
- For the Council to support greater engagement between schools and manufacturing employers through the Leeds Manufacturing Forum, work being done by the Education Business Partnership and Ahead Partnership; and to promote manufacturing companies within wards to schools.
 - To support further development of the Leeds Manufacturing website, newsletter and other communications activity to promote the sector, including more case studies on businesses in the city.
 - To make Councillors aware of the significant scale and diversity of the sector within their wards/community committee areas, and to organise further site visits for Councillors to Leeds manufacturing businesses.

3.3 ***Theme 2: Fostering innovation and collaboration***

- 3.3.1 With a strong university sector in the city, as well as manufacturing at the cutting edge of design and technology, there is fantastic potential for innovation in the city.

The city has a long history of innovation and we should be encouraging more innovators in Leeds and do more to attract them to the city.

3.3.2 Manufacturers in the city shared how collaboration with universities is essential as a catalyst for harnessing creative talent, developing new products, processes and materials and investing in the future of the sector. They also underlined the challenge of remaining competitive in a global market, attracting and retaining investment, when other governments are investing heavily in innovation and offering financial incentives to inward investors. Small and medium sized enterprises (SMEs) also need to be helped to adapt to the future markets for manufacturing and invest in new manufacturing facilities.

3.3.3 Actions agreed and already taking place on innovation:

- Facilitation of greater connections between manufacturers and universities.
- To assess the current provision of research and development funding and help businesses to foster closer relationships with Innovate UK, other bodies, national programmes and initiatives.

3.4 ***Theme 3: Developing skills and increasing workforce diversity***

3.4.1 A major concern for Councillors and manufacturers was the ability to attract people with the skills necessary for working in the sector. Across the region there are up to 140,000 manufacturing jobs, characterised on the whole by their good quality and career progression routes. However despite recent trends that show increasing numbers of engineering students at university, and increasing entrants to the sector through apprenticeship pathways, manufacturers are clear that they are not able to get young people with the skills needed for their business to replace a large cohort of ageing employees. The University Technical College will help address this, but will only be able to take 150 students a year therefore engagement and support for all schools in developing appropriate IAG and curricula will be essential.

3.4.2 At the event a number of people working in the sector, including apprentices and graduates, shared their experience of how they entered the profession. It was agreed that there are many misconceptions about working in the manufacturing industry and the type of opportunities available, something which needs to change. It was also said that there was not enough collaboration between schools and businesses to promote the opportunities offered by a career in the sector, and that ambassadors for the sector could be key to encouraging more young people to think about a career in manufacturing, as well as building on the successful work done by the Education Business Partnership and the Ahead Partnership with the Leeds Manufacturing Forum, and the Leeds City Region's Enterprise Advisor project.

3.4.3 It was also highlighted that there needs to be further promotion of inclusivity to increase the numbers of women and people from BAME backgrounds in manufacturing in the city. Only 7% of the UK's engineers are women, the lowest percentage in Europe, and lower than in India, China or Brazil. The BAME population in the city is also under-represented. Work being led by the Council's

Employment and Skills service to raise the proportion of young people from BAME communities on apprenticeships offers the opportunity to address this.

3.4.4 Actions agreed and already taking place on skills and inclusion:

- To explore possibilities for greater collaboration between schools and businesses in promoting opportunities offered by a career in manufacturing, including further embedding the awareness among young people and schools of apprenticeship pathways, and work to support all schools including the newly established Leeds University Technical College.
- To consider how the manufacturing sector can be involved in work to increase BAME representation on apprenticeships;
- Look at further means by which the voice of employers can be heard by education and training providers in creating and delivering courses that reflective the needs of local businesses.
- To assist employers in thinking about whether their working environment is attractive / appropriate to girls and women, and helping to promote more women in manufacturing through greater use of manufacturing ambassadors to schools and collaboration with Women in Science and Engineering (WISE).

3.5 ***Theme 4: Supporting Business Growth***

3.5.1 It was agreed at the event that supporting businesses to invest for growth would bring benefits to the city as a whole. Manufacturing is still a major direct employer, as well as supporting jobs in supply chains and related sectors, and it accounts for 50% of UK exports. The impact of investment through the LEP Business Growth Programme, managed by Leeds City Council on behalf of the Leeds city Region, was highlighted: the programme has provided over £7.5 million in grants to businesses in Leeds, most of them manufacturers, leveraging in over £50 million in private sector investment, creating around 1,000 jobs. This has been supported also by the development of Enterprise Zones.

3.5.2 In order to support business growth, manufacturers and partners at the event highlighted the need to have 21st century infrastructure across the city, with transport key to this. Business premises and sites were also highlighted as an issue, with more needing to be done to protect employment land and promote available sites in the city to new and existing business. Information is equally vital and there is a role to be played to support access to manufacturing, with knowledge and funding significant issues for local start-up companies and entrepreneurs.

Actions agreed and already taking place to support business growth:

- To explore what further support can be given to strengthen the Leeds Manufacturing Forum, working together with the Chamber of Commerce.

- Work with local manufacturers and the universities in the city to help retain skilled jobs and graduates trained in the city.
- Review how we can strike the right balance between allocating land for housing development and employment use, bringing forward a wider range of sites and premises through means available to Leeds City Council, including in the Enterprise Zone and other areas of the city.
- Following the recent Autumn Statement, to evaluate the provision of business support and structures needed following the removal of funding for the Manufacturing Advisory Service.

4 Corporate Considerations

4.1 Consultation and Engagement

As this report provides a summary of outcomes from the State of the City event, it is a reflection of consultation and engagement that took place as the main purpose of the event, engaging with Councillors, businesses and partners.

4.2 Equality and Diversity / Cohesion and Integration

Themes running through this report have an impact on equality and diversity, in particular considerations of the diversity of the manufacturing workforce. The Council aims to improve the lives of all its citizens and foster good relations between different groups in the community and it is considered that the recommendations in this report will have a positive outcome.

4.3 Council policies and Best Council Plan

4.4 The Best Council Plan priorities refer to aspects of the discussions that have taken place at the State of the City event and are undertaken in that context. In particular, the paper highlights possible ways in which the Best Council Plan objectives around promoting sustainable and inclusive and economic growth; and building a child-friendly city can be realised.

4.5 Resources and value for money

There are no specific implications for this report.

4.6 Legal Implications, Access to Information and Call In

There are no specific legal implications arising from this report.

4.7 Risk Management

There are no specific implications for this report.

5 Recommendations

The 'Main Issues' section of this Executive Board report outlines key actions proposed during or as a result of the State of the City event, under the four central

themes listed above. Drawing from those actions Executive Board is recommended to approve the following recommendations, which will be the responsibility of the Chief Officers for Economic Development and Employment and Skills to oversee implementation, with a future update being provided to Executive Board.

Telling and selling the story of Leeds manufacturing

1. For the Council to support measures to better tell the story of Leeds manufacturing, including: facilitating better collaboration between employers and schools; encouraging greater engagement between elected members and manufacturing businesses in their wards; and supporting further development of the Leeds Manufacturing Forum website, newsletter and other communications activity.

Fostering innovation and collaboration

2. Facilitation of greater connections between manufacturers and universities, linking these with initiatives such as the Retail Institute at Leeds Beckett University, the National Facility for Innovative Robotic Systems and the Institute of Medical and Biological Engineering at the University of Leeds, and to national bodies and with programmes such as Innovate UK.

Developing skills and increasing the diversity of the workforce

3. To explore possibilities for greater collaboration between schools and businesses in promoting opportunities offered by a career in manufacturing, including further embedding the awareness among young people and schools of apprenticeship pathways, and work to support all schools including the newly established Leeds University Technical College.
4. To look into further opportunities to support diversity in the manufacturing workforce, including 1) considering how the manufacturing sector can be involved in work to increase BAME representation on apprenticeships and 2) collaborate with Women in Science and Engineering (WiSE) in promoting opportunities for women in manufacturing.
5. Look at further means by which the voice of employers can be heard by education and training providers in creating and delivering courses that reflect the needs of local businesses.

Supporting business growth

6. To explore what further support can be given to strengthen the Leeds Manufacturing Forum, working with the Chamber of Commerce and manufacturing businesses.
7. To review how a wider range of sites and premises can be brought forward through means available to Leeds City Council, including, but not limited to, the Enterprise Zone.

6.1 None

7 Additional Information

Leeds Manufacturing: Adding Value
(<http://www.leedsmanufacturingforum.co.uk/wp-content/uploads/2014/08/Leeds-manufacturing-adding-value.pdf>)

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.