



Economic Development, Transport and Climate Emergency Commission

Date of Commission Meeting: 12th October 2022

Textiles - Leicester Labour Market Partnership Review and Community Renewal Fund project

Report of the Director of Tourism, Culture and Investment

Useful information

- Ward(s) affected: All
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Suggested content

1. Purpose of report

- 1.1 This report presents the latest Leicester Labour Market Partnership Review, and updates on the Leicester Textiles Renewal project which is funded by the Community Renewal Fund.

2. Recommendations

- 2.1 To note the contents and comment on this report.

3. Report

- 3.1 Leicester has the second largest concentration of textile firms in the country, and the largest for garment manufacture, employing over a fifth of the UK workforce. The sector is worth over £500m to the local economy and is a priority sector for our economy.

Labour Market Partnership

- 3.2 The Leicester Labour Market Partnership was launched in September 2019 to bring together key partners to look at ways to proactively address concerns of non-compliance in Leicester's garment sector. This initiative complements related economic development work to support Leicester's textiles manufacturing sector.
- 3.3 In response to subsequent negative media attention focused on Leicester's textiles sector in Summer 2020, the Gangmaster and Labour Abuse Authority (GLAA), HMRC, the Health and Safety Executive, the National Crime Agency and Leicestershire Police established Operation Tacit. This saw a significant ramping up of enforcement agency activity in the city, particularly focused on the identification and investigation of labour abuse and modern slavery, with a view to tackling any existing exploitation of workers in the textile sector.
- 3.4 Around that time, Leicester City Council also assumed a leading role helping to align the work of a range of organisations engaged in supporting local communities and textiles workers. This community engagement work is an ongoing endeavour that is constantly evolving to meet and suit the needs of the community.

3.5 The latest update on the work of the Labour Market Partnership has just been published, covering the period from November 2020 to March 2022, and is attached as an Appendix. The extended period covered by the review is to align with the financial year. The review captures the work of partners around enforcement, community engagement and economic development, including a range of initiatives where the Council has taken a proactive and leading role. All partners who actively work on the textiles sector agenda have contributed to the document.

Community Renewal Fund project: Leicester Textiles Renewal

3.6 Leicester City Council secured £500,000 from the Community Renewal Fund in November 2021 to deliver a partnership project to support Leicester's fashion and textiles manufacturing sector. Activities have been delivered by a partnership comprising Leicester City Council, Fashion Enter and De Montfort University. This partnership brings together into a single programme industry-led skills and sector development (via Fashion Enter), specialist HE innovation support (via De Montfort University), and local authority-led business and community engagement (via Leicester City Council).

3.7 The 'Leicester Textiles Renewal' project has been delivering an integrated support programme of garment skills/ training, support for innovation and encouraging best practice within the city's textiles industry. Key elements are as follows:

- **SKILLS:** Delivery of accredited skills and training via the new Fashion Technology Academy, offering Level 1 Workers Rights and Labour Exploitation and Level 1 in Fashion and Textiles – Industrial Sewing courses
- **INNOVATION:** Technical innovation/ diagnostic support for local manufacturers
- **GRANTS:** Productivity grants for local manufacturers to support investment in equipment, linking businesses to research and development and innovation to improve productivity
- **COMPLIANCE:** Compliance consultancy for a cohort of textiles manufacturers to adopt best practice compliance procedures, thereby enhancing the image and reputation of the sector in terms of ethical trading
- **CAPABILITY:** Website showcasing local ethical manufacturers to promote local manufacturing capability at <https://leicestermade.co.uk/>, with PR/ marketing/ engagement activities to promote Leicester's textiles manufacturing sector and improve the image and profile of the sector. This included a Fashion and Textiles trade show at Athena attended by over 400 people, including over 40 manufacturers and 150 design students from De Montfort University.

3.8 The project set out to recruit a cohort of 20 textiles manufacturers to participate in an intensive five-month development programme featuring a bespoke package of support including business support, skills/training support, technical/innovation diagnostic support, productivity grants and ethical compliance support. Businesses have been able to select interventions that are thought to be most relevant and important to them.

- 3.9 The beneficiaries of the project are:
- Textile manufacturing businesses
 - Employees of local textiles manufacturing businesses participating in training/ skills development - to retain/ upskill to support business productivity.
 - Unemployed people or people working in low skilled occupations looking to develop their career in the fashion and textiles sector

3.10 A summary of project delivery is as follows. Note that final evidence is still being gathered for several of the outcome indicators.

Table 1: Outputs

	Target	Actual
Number of people supported to gain a qualification	175	191
Number of people supported to engage in job-searching	38	50
Number of businesses receiving grants	20	20
Number of businesses receiving non-financial support	20	44

Table 2: Outcomes

	Target	Actual
People gaining a qualification	175	191
People engaged in job-searching	38	50
Businesses introducing new products to the firm	5	7
Employment increase in supported businesses	20 FTE	12.3 FTE
Jobs safeguarded as a result of support	100 FTE	122 FTE
Organisations engaged in knowledge transfer activity following support	10	19
Innovation plans developed	16	21

3.11 There has been a strong appetite from businesses looking to engage with the programme, with 44 businesses enrolling compared with an initial target of 20 businesses. 21 businesses have developed innovation plans, with 19 of those accessing follow on support from other programmes. 191 individuals have gained a qualification, compared with an initial target of 175 people.

3.12 Skills support has been delivered primarily to people categorised as economically inactive or employed. For both metrics, the project has performed better than expected. Although not the primary focus for the project, 12 of the learners have also gone on to gain full time employment. The project has primarily engaged with women (86% of participants), 85% of participants are Asian/ Asian British and 9% are Black/ African/ Caribbean/ Black British.

Table 3 – People Engaged

	Target	Actual
Economically Inactive	38	103
Unemployed	75	11
Employed	62	77
Total	175	191

Table 4 – Ethnicity

	Actual	%

White	14	7%
Mixed/ Multiple	0	0%
Asian/ Asian British	155	81%
Black/ African/ Caribbean/ Black British	18	9%
Other	2	1%
Prefer not to say	2	1%
Total	191	100%

Table 5 – Gender

	Actual	%
Male	26	14%
Female	165	86%
Total	191	100%

Table 6 – Disability

	Actual	%
Yes	0	0%
No	188	98%
Prefer not to say	3	2%
Total	191	100%

3.13 An independent evaluation of the project has been completed, involving interviews with project partners and beneficiaries. This has commented:

“With all outputs achieved and a strong waiting list for Level 2 courses already, the project has performed better than expected in terms of skills, innovation, and product development.”

“The project is driving growth through the development of vocational skills. Of the 67 learners who have completed their Level 1 Industrial Sewing qualification, around 40% are looking for full-time work, with most of the others looking for part-time work to fit around their children’s schooling; this is thought to be a wider issue for the industry, with full-time only contracts thought to be inaccessible for lots of women with children. 12 people have already been supported to secure full-time work.”

“As well as the prescribed economic outputs surrounding job creation and skills development, the skills courses are improving learners’ communication, independence, confidence and connection to each other and the local textiles industry – by developing creative learning skills, the ability to solve problems, and negotiations.”

3.14 Businesses have primarily used grant funding to invest in digital technology solutions to reduce costs. For example, some businesses are looking to develop digital sampling solutions, which eliminates the cost of material samples and reduces the carbon emissions associated with producing physical goods, whilst maximising profitability. Grants have also been used to develop websites.

3.15 The compliance reviews have identified both areas of compliance and areas for improvement across the cohort of businesses; in many of the areas over 90% of the businesses are performing well. Notably, one area of improvement – in which

only 28% of businesses are performing well – is environmental management, which represents an opportunity to support businesses further with tailored support.

3.16 The independent evaluation notes that:

“It is worth acknowledging the intangible nature of many of the additional/ non-contracted outputs produced as a result of enterprises’ involvement with the Leicester Textiles Renewal project. Anecdotal evidence suggests that the project has a distinct social impact element too.

“Although the skills elements of the project were initially designed to drive new skills within existing businesses, an unexpected outcome has been the support provided to local communities; the project is fast becoming a hub for the local community, upskilling people in textiles manufacturing whilst providing ESOL courses simultaneously, giving people a new purpose and developing new skills at the same time.”

“In the local community, the project is seen as a safe haven; through the provision of ESOL classes and Level 1 Industrial Sewing courses, the project is thought to be giving economically inactive people opportunities and purpose in a country perhaps unfamiliar to them. The classes give people a chance to interact socially. Some beneficiaries have been referred to the project via the Job Centre Plus who might have suffered with mental health problems; the project has given them a new focus, developing new skills and keeping them engaged.”

“The project forms an important part of a wider effort to raise awareness of workers’ rights in the city and to empower people with the confidence required to challenge poor practice when it occurs, allowing people to take responsibility for themselves. Workers’ rights training is thought to be valuable to people working in any sector as it enables them to understand their employment environment and how their salary, tax and rights apply to their position.”

“There is definitely scope for a future programme utilising the same project partnership and delivering interventions that are needed to support the sector appropriately around the core areas of skills, innovation and compliance. There is a stated demand for continued skills support, particularly Level 3 and Level 4 learners, who are more skilled, combining higher speed with greater accuracy in their production.”

3.17 Following the successful delivery of the Leicester Textiles Renewal project a follow-on support programme for the textiles sector is being developed. This will build on the successful elements of the CRF funding project and deliver ongoing support for skills, innovation, compliance and engagement.

3.18 Funding for textiles sector support has been allocated with Leicester’s Shared Prosperity Fund Investment Plan which was submitted to government on 1st August 2022, with a decision expected in October 2022. Subject to that approval this will support ongoing activities delivered by the City Council and partners until March 2025.

5. Financial, legal, and other implications

5.1 Financial implications

Funding of £500k from the Community Renewal Fund is being used by the Council to support the work outlined in this report.

Stuart McAvoy – Acting Head of Finance

5.2 Legal implications

The report is an update report on the Leicester Textiles Renewal Project and therefore previous comments are reiterated - the Authority will need to continue to comply with any obligations in respect of the Community Renewal Funding.

Any forward funding (or otherwise) to funding recipients will need to continue to ensure the use of the funding and the grant awards of the funding to recipients will need to reflect the requirements on the Authority (and step-down obligations where appropriate) under the CRF Funding terms. In addition, a subsidy control assessment has been undertaken, details of which will need to be provided for in the CRF Funding Agreement prior to signing up.

The CRF Funding Agreement explicitly requires a project delivery funding agreement be in place between the Authority and the Recipient(s) to secure the respective rights and obligations of the Recipients before passing of any funds.

Mannah Begum, Principal Solicitor (Commercial, Property & Planning) ext 37 1423

5.3 Climate Change and Carbon Reduction implications

Industry, including the city's textile sector, is a major source of carbon emissions within Leicester. Following the city council's declaration of a Climate Emergency in 2019, and its aim to achieve carbon neutrality, addressing emissions from the city's businesses through engagement projects can therefore play an important role in achieving this.

As noted in this report environmental management has been identified as a potential key area for future interventions. Work in this area could help to reduce carbon emissions and other environmental impacts of businesses. Additionally, as also identified in the report, grant funding can support projects which help to reduce carbon emissions. Any future grant support could deliver further benefits, for example through investment in efficient machinery and the energy efficiency of premises.

Aidan Davis, Sustainability Officer Ext 37 2284

5.4 Equalities Implications

Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions

they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't. In doing so, the council must consider the possible impact on those who are likely to be affected by the recommendation and their protected characteristics.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The report updates on activities that are demonstrating positive impacts for people from that are potentially across a range of protected characteristics. The race profile demonstrates that many of the people engaged are from a range of backgrounds, with this in mind, as the communications continue, consideration should be given to make all comms accessible and cater to the many different languages of people in the city. The project may benefit from understanding its profile in terms of the other protected characteristics, to ensure that needs of all people are being met, particularly those with a disability, where reasonable adjustments may need to be made.

Kalvaran Sandhu, Equalities Manager, 0116 454 6344

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

Not applicable

6. Background information and other papers:

None

7. Summary of appendices:

Appendix One: Project Images

Appendix Two: Leicester Labour Market Partnership Review

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

No

10. If a key decision please explain reason

N/A

Appendix One: Project Images

Training Certificate Award Ceremony at the Fashion Technology Academy



Fashion and Textiles trade show at Athena

