

## GROWTH AND INNOVATION FUND

### OUTLINE PROPOSAL APPLICATION FORM

#### Applicant details

Proposal Name:	<b>Ceramics Skills Academy</b>
Organisation Name:	<b>North Staffordshire Chamber of Commerce and Industry (NSCCI)</b>
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**Where a collaborative application is being submitted please provide the names of the other organisations who are involved in this collaboration:**

#### Joint Lead Partner

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#### Other Partners

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**Title of proposal: CERAMICS SKILLS ACADEMY**

**Are you providing a video submission in addition to your written proposal?** No

## Explaining your idea

#### Short description of proposal (150 words maximum)

As an advanced manufacturing, export-led sector, the ceramics industry is a vital contributor to the UK economy<sup>1</sup>. After many years of contraction, businesses are growing again, creating high-value manufacturing jobs<sup>2</sup>.

The competitive advantage of the UK ceramics sector is the skills of its workforce. This enables the production of high quality, innovative, design-led, technologically advanced products from tableware to medical implants.

<sup>1</sup> Estimated West Mids Regional GVA £420 million SQW Report 'Growing the Ceramic Cluster in North Staffordshire' 2009

<sup>2</sup> Portmeirion, Steelite, Churchill, Dudson, Wade Ceramics, WWRD have all posted increased profits and created jobs in the last two years, some showing double digit growth

This skills advantage is currently under serious threat due to an ageing workforce: people and skills are being lost to the industry and not being replaced. One ceramics sector SME named in this bid employs 42 people, where 80% of employees are over 50 and no one is under the age of 35. This is entirely representative of the industry.

The Ceramics Skills Academy will secure the future of the sector with a targeted programme to replace, renew and transfer the skills of the current workforce.

## **Criterion 1: Impact**

### **Why the proposal is needed?**

A significant majority of the UK ceramics industry is based in and around Stoke-on-Trent and North Staffordshire. From a position where tens of thousands were employed 30 years ago, there are now 7,000 direct jobs in the ceramics sector in North Staffordshire, with around 10,000 employed in total<sup>3</sup>, taking into account ceramics tourism and other related or supporting sectors.

This is a national industry but its geographical focus means it is hugely economically important in its heartland. Previous contraction has left an ageing workforce where skills are not being replaced or renewed. Many people continue to leave the industry taking their highly specialised skills with them. Companies have been under pressure financially for many years and have simply done what they need to survive, so recruitment, replacement and renewal of skills have been patchy and ad hoc. It is certainly not enough currently to sustain the industry into the future.

However, there is a real opportunity to change this. The ceramics sector has returned to growth, albeit fragile, and there is an appetite amongst companies to build on this. Businesses are recruiting again<sup>4</sup>, profitability is back and there is a recognition that with a smaller, geographically clustered industry, collaboration is vital to ensure its future success. There is a clear understanding that attracting new people into the industry, along with new ideas and skills, and ensuring the retention and transfer of existing skills will mean this economic growth is secured, sustained and increased generating more jobs and a healthier local economy.

As this is a relatively small, niche, geographically-focused industry no single intervention will have the desired impact or be on the requisite scale. The Ceramics Skills Academy will therefore deliver a small number of priority interventions that will have maximum impact for the companies involved and the sector as a whole. Similar initiatives in France, The European Ceramic Centre at Limoges, and in Spain, Instituto de Tecnología Cerámica (ITC) at Castellón, have acted as successful catalysts for their ceramics industries.

### **How will your proposal make a difference?**

The Ceramics Skills Academy is proposed by the ceramics sector and will be led by them, through a private sector Board and working groups based on the themes below to guide and shape activity. The activities are focused around sustaining the skills within the industry and have been drawn up and prioritised by them.

These interventions are focused on three key themes:

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<sup>3</sup>SQW Report 'Growing the Ceramic Cluster in North Staffordshire' 2009

<sup>4</sup><http://www.thisisstaffordshire.co.uk/Steelite-plans-record-results-Wade-Ceramics-plans/story-15933891-detail/story.html>

## **1. NEW PEOPLE**

### **Ceramics Skills Academy – Apprentice Training Agency (ATA)**

Apprenticeships up to L2 in the industry are currently around 60 annually with none at higher level<sup>5</sup>. Apprenticeships are an excellent sector fit but a lack of co-ordination and understanding has hampered take up. An ATA will focus activity and would double apprentice numbers annually by end of Year 2 to 120 with a small number coming at higher levels and an increased take up from SMEs due to more flexible employment arrangements and shared apprentices.

### **Ceramics Skills Academy – Graduate Opportunities**

For an industry employing 7,000 people with two universities (Staffordshire & Keele) in the locality there is a noticeable lack of take up of graduates either short term (i.e. through placements) or long term (i.e. permanent jobs). Feedback from employers, particularly SMEs, is that often more company support is needed to maximise the benefits of employing graduates. Anecdotal feedback from universities suggests that there are fewer than 25 short term and 15 long term graduate opportunities in the industry annually from local providers. A small bursary fund as part of the package will stimulate untapped demand in the SME market, which is particularly risk averse. By facilitating graduate opportunities within the industry we would at least quadruple short term placements to 100 and double long term opportunities to 30 annually.

## **2. NEW IDEAS & SKILLS**

### **Ceramics Skills Academy – Inter-generational Mentoring**

Mentoring is an extremely effective, in terms of impact and cost, method of sharing knowledge and expertise and enabling transfer of skills and ideas. We will establish a range of formal, supported relationships between members of staff with experience and traditional skills with those developing their career, apprentices or staff identified by companies who would benefit from being mentored. Most of these relationships will be within companies, though some may be between companies. However the focus will be on transferring knowledge skills and ideas between employees and 'generations'. We would support at least 75 key staff. There is no evidence this is currently taking place.

### **Ceramics Skills Academy – Inter-company Mentoring**

The larger companies in the sector recognise more than ever that a fragile and smaller supply chain leaves them exposed to risk. Many are willing to help support SMEs and supply chain companies in the sector but do not have time and resources to invest in training, selection, matching and management of relationships. The Ceramics Skills Academy will facilitate this through a programme for inter-company mentoring: larger businesses to SMEs. We would support at least 150 key staff. There is no evidence this is currently taking place.

## **3. NEW GENERATION**

### **Ceramics Skills Academy – Enterprise**

Stoke-on-Trent suffers from one of the lowest business birth and enterprise rates in the country, with only 24.8 enterprises per 1,000 population (England average 38.3)

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<sup>5</sup> National Apprenticeship Service data year to Apr 12 from Staffordshire Team according to SIC Code

in 2010 according to BIS figures. Part of this is a legacy of ceramics sector contraction where people were neither encouraged nor supported to create new businesses with their traditional skills when they left large employers. The Prince's Trust scheme at Middleport, Stoke-on-Trent, plus a range of enterprise support agencies will come together to offer training, support and premises for new start-up ceramics businesses. It is very difficult to find accurate figures for ceramics start-ups, however it is estimated to be in single figures annually. We would create 20 additional ceramics sector businesses by the end of the programme.

### **Ceramics Skills Academy – Schools Outreach**

Some individual companies do limited outreach work but there needs to be a step change in the perception of the ceramics industry among local young people, who would then be attracted into the industry. The Academy will co-ordinate a range of exciting activities to stimulate and challenge young minds regarding career opportunities in ceramics. This will include work experience, visits, employability support (e.g. mock interviews) and competitions. We would engage at least 1,500 local school and college pupils in activities, particularly those at the new Manufacturing Studio College led by Stoke-on-Trent College.

### **IMPACT SUMMARY**

20 new businesses

60 more apprenticeships annually (and increased take up by SMEs) (120 two years)

1,500 local young people actively engaged by the industry in activities

75 staff mentor relationships (inter-generational)

150 staff mentor relationships (inter-company)

100 graduate short term industry opportunities annually (200 two years)

30 graduate long term industry opportunities annually (60 two years)

This will have significant impact on company productivity, investment, new business starts and job creation. We would like to use the development phase to baseline this further and expand the case for GIF investment.

## **Criterion 2: Innovation and Additionality**

**In what way does your proposal represent an innovative way of addressing the strategic skills issues set out in section one? What does the proposal do which is different from existing practices/ways of working/partnerships and how will this result in a different outcome?**

Never before have businesses large and small, the public sector, providers and trade/membership organisations come together in this way to propose a coherent, industry-led solution to the challenge of ceramics workforce sustainability. This project is ambitious but carefully thought through and planned and would have a major long term impact. This niche cluster requires innovative, ambitious multi-strand intervention as only that will have the impact and sustainability required of GIF proposals. We recognise that this proposal does not meet the minimum threshold of funding but we believe that it is appropriately researched, resourced and planned and ask for this to be taken into account.

**Why can this solution be achieved only with public co-investment?**

Public investment will be the critical catalyst for the Ceramics Skills Academy. No one business or support organisation would be able to deliver such an ambitious and far-reaching programme, which is desperately needed based on the evidence above. Only the opportunity afforded by GIF will give employers the incentive to collaborate and invest on such a scale.

**What evidence do you have that GIF investment would not replace existing or planned investment?**

The sector is receiving very little public support currently and nothing to our knowledge on an industry-wide basis. The Sector Skills Council (ProSkills) no longer serves ceramics and a number of RDA projects to sustain skills in the industry were wound up within the last two years. This is why the Ceramics Skills Academy is so timely and important. Employers say the project will release not replace investment.

**Criterion 3: Employer Ownership**

**How are the employers you represent taking ownership of the strategic skills issues set out in section one? In particular, how are they involved in driving this proposal forward?**

Ceramic industry employers have driven this proposal from the start. We have a waiting list of employers to form a working group to take a successful outline to full application stage. The list of employers giving their backing to this proposal is:

Aynsley China Ltd, Anita Harris Art Pottery, Axia Solutions Ltd, Burgess Dorling and Leigh Ltd, Churchill China, CIF, The Denby Pottery Co Ltd, Duchess China Ltd, Dudson Ltd, Dunoon Ceramics Ltd, Emma Bridgewater Ltd, Heron Fine China, Hudson of England Ltd, W Moorcroft Ltd, Little Walton Bank, Nibek, Opus Tessellatum, Portmeirion Potteries Ltd, Princes Regeneration Trust, The Royal Crown Derby Porcelain Co Ltd, RST Ltd t/a Royal Stafford, Steelite International plc, Wade Ceramics Ltd, WWRD United Kingdom Ltd (Wedgwood), Ideal Standard (UK) Ltd, Jacuzzi UK, Ours Sanitaryware Ltd, Johnson Tiles, H & E Smith Ltd, Alfa Aggregates Products Ltd, Blacklake Systems Ltd, Endeka Ceramics Ltd, Ferro (Great Britain) Ltd, Furlong Mills Ltd, Imerys Sanitaryware, James Kent (Ceramic Materials) Ltd, Johnson Matthey Colour Technologies

Representatives from these companies would form the development phase working group, then a full Board with three themed sub-groups to oversee and guide activity. They will provide the staff for the mentoring and schools outreach work. Nothing in this proposal will happen without maximum involvement of the private sector.

**How will you ensure the sustainability of the proposal beyond the period of GIF investment?**

Sustainability is built into the Ceramics Skills Academy from the outset. The ATA and Graduate Opportunities elements give the public and private providers the chance to part-fund these activities and create a success out of them, where increasing demand will mean there is a business case for them investing in their long term provision.

Mentoring support is a tried and tested model nationally. The inter-generational mentoring can be embedded into the training and development programmes of beneficiary businesses over time. Inter-company mentoring would be subject to a

small ongoing fee to receive the service. However, initial pump-priming means that processes, procedures and structures would be in place so costs would be modest and the service attractive post-GIF funding.

Once in place schools outreach work will be sustainable, albeit on a smaller scale, as the business-education links will exist and will be enhanced by national programmes. The enterprise element, potentially linked with the Prince's Trust development at Middleport, Stoke-on-Trent, is truly exciting and innovative and should be developed into a commercial offering, though subsidised by provision from support organisations like NSCCI and the Prince's Trust.

**Please indicate if the proposal is likely to have implications for or is linked to participation in terms of either co funded or fully publicly funded skills delivery.**

Predominantly apprenticeships as mentioned above. The clear aim is to build on other initiatives and harness their impact (not duplicate). This is demonstrated in the match funding provided by public partners and links to the government's apprenticeship offer, the Stoke College studio school, university activities etc. The schools outreach programme will complement national initiatives.

**Have you completed the Outline Proposal Costing Spreadsheet and returned it with your Outline Proposal Application Form Yes**

**We expect significant employer investment alongside GIF investment to be the norm. Where there is limited or no employer investment, either cash or in-kind, please explain why this is justified in the context of the particular proposal**

GIF investment in the Ceramics Skills Academy represents just over 60% of the total project value. The remaining 40% is a huge investment of resources by ceramics businesses and support organisations.

There is little cash match as companies have been absolutely clear that while they wish to make the Academy a success the industry remains very cash-scarce. Furthermore, while there is every indication that the project will be a success companies wish to minimise initial risk with resource rather than cash investment. As the concept is proven, business has indicated more willingness to put forward cash investment.

Finally, Stoke-on-Trent City Council has a history of support (financial and in-kind) for the industry e.g. The Ceramics Biennial and Ceramics – A New Era. It will form part of the development working group and will put forward a business case through its democratic processes to unlock investment. This has not been possible to approve and quantify in time for the outline bid.