



UK Leather Federation Strategy
for the British Leather Industry

This document outlines the UK Leather Federation strategy for the development and promotion of the British leather industry over the next five years. The UK Leather Federation is uniquely placed to link together the various interests – manufacturing, both leather and leather goods, education, from school to PhD, design, fashion, heritage and aligned organisations, such as the Worshipful Company of Leathersellers and the UKFT – to collaborate in maintaining and enhancing the reputation and competitiveness of British leather.

This strategy lays out the objectives for the next five years, which will see growth across the leather sector. This will include an expansion of the UK Leather Federation membership, in particular drawing in companies which manufacture leather goods, increasing the representativeness of the organisation and its lobbying power for those it represents.

The strategy addresses the increasing need to develop new talent for the sector and proposes educational and training programmes to meet that need. The development of craftsmanship and design, essential to the ongoing success of globally recognised premium leather goods industry, will be supported by provision of space and support to new talent and the research and innovation needs of the sector will met by establishing closer ties between industry and academia.

The promotion of British leather will be enhanced by the development of a British leather label, highlighting the inherent quality and sustainability. UK Leather Federation will also develop a British leather showcase to take British leather to a greater audience, with the ultimate aim of boosting sales.

The strategy is necessarily ambitious but the work has already begun. With the gracious support of the Worshipful Company of Leathersellers, the highly significant issue of Chromium VI in leather will be investigated at the Institute for Creative Leather Technology at the University of Northampton. UK Leather Federation has drawn together a consortium of leather and leather goods manufacturers, which has started developing a comprehensive Trailblazer apprenticeship, to provide school-leavers with a structured, relevant and valuable path into the industry. Successful delivery of the remainder of the strategy will see greater success and prestige for a unique and valuable industry.

An overview of the British Leather Industry

The British leather industry encompasses all stages of production from production of raw materials to point of sale of finished products to the consumer. The direct supply chain extends across tanners and manufacturers of leather goods, including handbags, luggage, accessories, footwear, garments, upholstery etc., and wider to traders, major brands and retailers.

The value of this supply chain in export terms was nearly £1.4 billion in 2014, up 13.4% from 2011 (Appendix, Table 1). This figure does not include domestic sales of leather and leather products or exports of products incorporating leather as a non-defining component, e.g. leather used in automotive and upholstery and as such, the value of the British leather industry to the UK economy is greater still.

The industry employs approximately 8,400 workers, with 1,300 in leather manufacture, 2,600 in leather goods manufacture, 4,300 in the footwear manufacture and 200 in apparel manufacture, across a range of enterprises from micro- to large-sized.

The success of the British industry is predicated on the superior quality and innovation of the leathers it produces. This is reflected in its customers, which are globally recognised high end brands associated with quality products. They include household names such as Nike, Berghaus, Oakley and Clarkes, high end luxury goods manufacturers such as Dunhill, Gucci, Mulberry and Burberry, and quality shoe manufacturers, including the renowned men's shoe makers based in Northampton, such John Lobb, Edward Green and Church's.

The UK tanning industry also produces high performance and specification upholstery leathers used in luxury automotive brands, such as Aston Martin, Rolls Royce, Jaguar Landrover and AMG Mercedes, by airlines such as BA and Lufthansa and even on the Royal Yacht Britannia.

Many of the brands using British Leather are based in the UK. Globally-recognised, prestige brands such as Mulberry, Burberry, Aston Martin and John Lobb, are manufacturing British products incorporating British leather and building on a long-standing heritage of quality and performance.

The UK also remains a centre of excellence for education and research in leather; the Institute for Creative Leather Technology at the University of Northampton is recognised as the world-leader in provision of higher education in leather science and technology. There is also a strong heritage sector with the internationally-renowned Museum of Leathercraft and Leather Conservation Centre, also located in Northampton.

The issues facing the British leather industry

The EU-funded project, 'A Future for European Leather', evaluated the pressures on the European leather industry and the changes needed to ensure that industry would grow and prosper in the future. The report highlighted the difficulties in staying ahead of fast-moving global markets, protecting and defending the identity of leather, recruiting and training the next generation of leather manufacturers, competition with other materials and ensuring that leather manufacture meets the demands of increasingly environmentally and socially conscious customers.

The issues identified hold true for the UK. While in recent years the value of the sector has continued to grow, it has struggled with overseas competition and a poor image. As such, it has been difficult to recruit new workers and many companies are struggling to replace ageing workforces. Furthermore, as the number of enterprises and their staff levels are relatively low and they are widely distributed across the UK, the options for formal training and development of staff are limited. This lack of opportunity constitutes a significant barrier to the recruitment of new staff.

The success of the British industry is not only dependent on the high quality of its production but also the high performance and technical specification of the leather used. The innovation that leads to these characteristics is dependent on a healthy and diverse research programme and the UK is home to the Institute for Creative Leather Technology (ICLT) at the University of Northampton, the foremost research and education facility in Europe providing post-graduate training and research in leather science and technology. However, there is currently a lack of coordination between the research activities of the ICLT and needs of industry.

The British leather industry has great resource at its disposal. The UK has some of the most stringent welfare regulations for livestock rearing and as such, UK-produced raw materials are produced to the highest standard, addressing a significant concern for the industry's customers. The leather produced in the UK is among the best in the world and is used in some of the most prestigious global brands. The UK is also at the forefront of heritage, higher education and research in the leather sector.

However, there is a lack of coordination between the various parts of the industry, which has led to a disjointed approach to the promotion of leather as a material and an industry. Little capital has been made of the great assets in the British leather supply chain and little has been done to address the consumer's lack of understanding of leather or to promote British leather as a unique, world-class material.

Furthermore, there is a lack of awareness and understanding among British companies manufacturing leather products, of the capacity, or even existence, of the British leather manufacturing industry; these companies are currently sourcing leather in Europe, from the direct competitors of the British industry. However, given the resurgence of 'Made in Britain', it is clear that there should be a strong demand for British leather and that a campaign of promotion and information is necessary to address the gap in understanding.

Finally, the recent referendum on the United Kingdom's membership of the European Union and the resulting decision to leave, has created enormous uncertainty for the industry. While it is difficult to predict the outcomes and implications of the UK's withdrawal, it seems likely that UK industry will be faced with more challenges. These may include export tariffs, which may reduce competitiveness, greater international competition for UK hides and skins and increasing costs for chemicals and equipment, as a result of the fall in the value of sterling and issues with recruiting and retaining skilled, non-UK staff.

However, 'Brexit' will also bring opportunities for the sector. The fall in Sterling is already leading to reports of increasing exports and will make imported leather more expensive. This represents a great opportunity for the British leather manufacturers to engage with British and overseas customers to a far greater extent than previously and to convince them of the quality, prestige and desirability of the British leather. It is clear that the promotion and development of the UK industry is essential to ensure that the value of British leather is viewed as more important than its cost.

The role of UK Leather Federation

There is a need for cross-sectoral representation to develop the British leather industry, to coordinate research and education needs and to promote and protect the image of British leather and the British leather industry. UK Leather Federation is uniquely placed to undertake these activities as the only British organisation involved in all sectors of the industry, from raw materials to finished product.

UK Leather Federation has a long history of serving the tanning industry but, with the greater integration and scrutiny through the supply chain, it is essential that the organisation widens its remit, not only for the benefit of tanners but also their customers. A coordinated approach, involving all the actors in the supply chain will be of benefit to all involved. In particular, UK Leather Federation will aim to engage with and represent users of leather who are either currently unrepresented or are represented by bodies with a broader remit and which lack the specific focus that the promotion and protection of leather requires.

While this may require a change in the focus of the organisation to be a leather industry trade association in the broadest sense, it will also increase its reach, influence and turnover.

UK Leather Federation Strategy for the British Leather Industry

Vision - "Being the outstanding trade federation promoting the sustainable growth of the UK leather industry"

Mission - "Maximising membership value through the promotion, protection and development of research, innovation, training and education within the UK leather industry"

In order to achieve its vision, UK Leather Federation will adopt a five year strategy, intended to reposition the organisation at the centre of UK leather supply chain. The overarching aims of the UK Leather Federation strategy will be to:

- Represent and promote British manufacturers of leather and leather products and through such promotion, to increase sales and exports of British leather and leather products.
- Protect the image and reputation of British leather by campaigning for rigorous labelling and quality standards and challenging the misrepresentation of leather in any context.
- Support the on-going growth and success of the UK leather sector through the development of research, training and education.

- Raise the profile of the leather sector as a career with opportunities for all, ensuring the future of the sector in the UK.

These aims will met through a number of activities:

Membership Development

A key objective in achieving the goals of this strategy will be a broadening of the membership of UKLF to include companies throughout the leather manufacturing supply chain. A broader membership will be essential to creating the links necessary to provide a more coordinated and far-reaching approach to the promotion and protection of British leather and leather products. UK Leather Federation already has 'Associate' members representing both the raw material suppliers and the manufacturers of leather products, demonstrating that membership of UKLF benefits all businesses in the British leather supply chain.

It is anticipated that, after five years, this strategy will have increased membership to over 100 members and significantly increased turnover.

Education and Training

As with many manufacturing industries in the UK and EU, the leather industry is faced with an ageing workforce and is struggling to recruit the next generation of leather workers. However, employment in the manufacture of leather and related products is growing in the EU (up nearly 4% from 2010), indicating that there are opportunities in the sector. Furthermore, it has been predicted that an additional 18,705 jobs will be created in the EU leather sector (excluding footwear) by 2025. Assuming that the number of new jobs in the UK increases in proportion to the current UK workforce as a function of the EU workforce, this would mean nearly 800 new workers in the British leather sector (excluding footwear), an increase of almost 19%.

The development of education and training opportunities will be critical for recruitment and retention of new workers in the industry. Equally, the industry continues to require competent, skilled workers at all levels and in all aspects. The development of entry-level and intermediate qualifications are necessary to provide a clear pathway of on-going development for all employees in the industry, providing options from school-leaver to PhD.

UK Leather Federation is collaborating with education providers and industry to develop and deliver training and education from entry-level QCF qualifications, which will serve as a first introduction to the industry, to PhDs. The development of education and training programmes for the tanning sector in the UK has previously been hampered by the small numbers of employees in the sector and the wide, geographical distribution of the companies. A broader membership base and the associated larger workforce will provide options for producing broad, multi-pathway qualifications, joined together under the heading of leather manufacture. Such courses should attract sufficient numbers of students to be viable, while meeting the specific needs of the sectors that make up the industry.

Innovation & Research

In addition to its well-earned reputation for high quality leather and leather products, the British industry is also known for its innovation; in the production of high specification leathers with novel characteristics, improving process efficiency and minimising environmental impacts. Such innovation is dependent on high quality research, such as that being undertaken at ICLT and it is essential that the direction of research should be informed by the needs of the industry. As such, it will be necessary to improve communication and coordination between industry, ICLT and other universities

The reputation of the British industry for innovation in all aspects of leather manufacture will be maintained by the development of an industry-driven research programme, delivered by British universities through a PhD programme and administered by UKLF. UKLF will also look for funding for collaborative research programmes between industry and academia, in both the UK and EU. A vibrant, diverse and exciting research programme

will raise the profile of the British industry. It will also produce the next generation of highly-qualified leather scientists for both industry and academia.

Developing Craftsmanship

The British leather industry has a long history of traditional craftsmanship. The UK is also home to some of the finest leather and leather goods in the world. British designers are producing high-end leather products, including bags and shoes, which are sought after throughout the world. As the UK leather industry cannot compete with producers of mass-produced, low cost products, it is very important that it maintain its ability to design and produce desirable, luxury products. In order to achieve this, it will be necessary to foster and develop the talents of new British designers and manufacturers.

Cockpit Arts is the UK's only business incubator for craftspeople and offers workspace, business coaching and support for new designers to grow their businesses. UK Leather Federation will take this model and create leather-specific design hubs in other parts of the country. These hubs will act as incubators for the next generation of designers working with leather, provide an opportunity for the public to view leather craftsman at work and potentially, a route for school-leavers into the industry.

Coordination by industry of these hubs will also give rise to business relationships that will be of benefit throughout the British supply chain. UK Leather Federation will facilitate exchange and communication between the supported designers, industry and relevant universities, such as Northampton, De Montford and Nottingham, all of which have a strong leather presence in their fashion and design courses. This coordinated approach will provide opportunities for the development of the next generation of designers, all of whom will be firmly embedded in the British leather industry.

Increasing Trade

The British industry is competing in a very competitive and increasingly difficult global market. In order to remain competitive, the industry must be visible and possessed of unique characteristics that will be appealing to customers, both business and consumer. Mechanisms to raise the profile of the British leather industry are therefore, desirable. In order for the whole industry to benefit, it is also appropriate for UK Leather Federation to take the lead in this area and a number of possibilities will be explored.

In both domestic and international markets, the British Brand has considerable prestige and selling power. However, as leather is typically a component of a product, its origin is rarely acknowledged. As such, the inherent qualities and benefits of British leather in a product may not be apparent. British leather manufacture is subject to some of the most stringent animal welfare, health and safety, corporate social responsibility and environmental requirements in the world. For many consumers, seeking reassurance that their purchases are ethical as well as high quality, an indication of these qualities would be very appealing and lead them to select British products over others.

In order to achieve this, UK Leather Federation will seek to develop, facilitate and administer a British Leather Mark for British leather. This mark will, at its broadest level, be available for use by those companies manufacturing leather in the UK or producing leather products made with British leather. The mark will exploit the British brand and the implicit considerations for animal welfare, the environment, manufacturing practice and CSR of British-manufactured leather and will provide a label with which to elevate the profile of British leather.

Supporting innovation and technology transfer for the British industry

It will be essential for the British Leather industry to stay at the cutting edge of innovation in manufacturing. However, the majority of research and development in chemicals or machinery takes place in Germany and Italy. The costs of travel for process innovation and development can be prohibitive for British businesses, particularly small businesses operating in niche markets.

UK Leather Federation administers the Dr Dorothy Jordan Lloyd Memorial Trust Fund and British Industry Development Trust. Both charities exist to support the development of the leather industry and could support the transfer of innovation and new technology to British leather manufacturers. UK Leather Federation will seek new revenue streams for the industry trusts with which to support the development and adoption of the novel technologies required to ensure that the British industry remains a world-leader.

Promoting British Leather

For many companies in the British supply chain, it is difficult to find the resources or time to attend the trade shows where many new customers are found. UK Leather Federation will develop a British leather showcase, encompassing the breadth of the UKLF membership and through which, first introductions to the industry can be made.

This showcase will not only be used for the traditional leather fairs but be taken to 'resource' fairs to connect with new customers, who may not have previously considered leather. The showcase could also be used to expose British leather goods manufacturers to a wider audience that they may not otherwise have access to.

UK Leather Federation will also facilitate a Leather Resource Centre to promote the use of British Leather by British manufacturers. Many small designers and makers in the UK would, for preference, use British leather but are with unable to obtain it or unaware that leather is still manufactured in the UK. The Leather Resource Centre will provide customers with access to the range of British leather production. It will also provide a market for short runs and leftover product by making it available to small manufacturers. This could provide a route to establishing links with manufacturers, particularly new and small companies, leading to new business opportunities and provide a simple route to large exposure for British-manufactured leather.

Summary

The proposed strategy offers a number of routes for raising the profile of British leather industry to new workers, new business customers and consumers. The education and training activities will bridge the gaps in the current offer, creating access to a career in the industry for any level of employee. The high standard of craftsmanship in the UK will be protected and enhanced by providing opportunities for designers and makers of high quality leather goods to develop their portfolios and their businesses. The development of a British leather-specific brand will help British leather to stand out in the global market, assuring customers not only of its quality but also the rigorous standards applied to its production.

There is also considerable synergy between the activities described. The education and training programmes provide a logical flow from school-leaver upwards but could also crossover into other activities, e.g. it is conceivable that the QCF courses could be run in the creative hubs, giving the students first-hand experience of working with designers and the designers, experience of mentoring junior staff.

A successful implementation of this strategy will result in a larger, more visible and more successful British industry, that is seen as a desirable career choice for skilled, educated workers and that produces a product that is actively sought by consumers.

Success will also pave the way to more ambitious goals in the future. The UK has a surfeit of sheepskin, which leave the country in huge numbers with no value added. A greater integration of the various parts of the supply chain could lead to development of an integrated processing plant, supplying high quality, locally-sourced fashion leather to an expanding range of designers, manufacturers and artisans in the UK. Increasing the presence of leather in schools and universities may lead to design, engineering and research applications that have not as yet been considered. All of which can only benefit the British leather sector.

Appendix

Export value (£1000) / Year	2011	2012	2013	2014
Raw hides & skins	231,738	195,509	219,783	201,480
Leather (part-processed & finished)	159,204	140,179	152,712	166,172
Leather goods	234,547	226,798	272,540	294,965
Leather footwear	607,979	585,999	701,347	736,380
TOTAL	1,233,468	1,148,485	1,346,382	1,398,997

Table 1 – Value of exports from the UK of raw materials, leather, leather goods and leather footwear, 2011-2014