



Bwyd a Diod Cymru
Food & Drink Wales

Transforming Skills in the Welsh Food and Drink Industry.

Food and Drink Wales Industry Board
The voice of the industry in Wales



A substantial body of research exists in the form of Labour Market Intelligence around the skills issues throughout the food supply chain in Wales and the themes and issues identified have remained stubbornly consistent over the last 8 or so years, despite a number of interventions. The issues identified were summarised well in the Food and Drink Wales Action Plan under the 'Education, Training, Skills & Innovation' headline.



The Plan.

The report identifies the following broad issues:

- A substantial number of businesses (45%) experience skills gaps or shortages in technical subjects including:
 - Food science and engineering
 - Operating and maintaining equipment
 - Waste and environmental issues
 - Sales and merchandising
- Around 75,000 new people are required in roles throughout the food supply chain as a result of an ageing workforce
- The industry suffers from a poor image and lack of attractiveness resulting in the need to 'sell' the industry to youngsters
- Commitment to training is low by Welsh businesses – there is a low skills equilibrium whereby companies don't see the value in training and therefore don't train – and therefore don't see a value in training
- Sourcing training is confusing and difficult – the skills landscape is somewhat bewildering to many businesses, whether that is finding the right programmes, finding a provider or accessing information about potential funding streams
- The reliance by the sector on labour originating from elsewhere in Europe means that English language skills can be a problem for workers, both within the workplace and in the local communities.



The Cabinet Secretary for Energy, Planning and Rural Affairs, members of the Board and other key stakeholders at the autumn 'Invest in Skills : Invest in Growth' conference

Specific proposals to address these were outlined in the Food and Drink Wales Action plan. The issues identified are as relevant today as they were when the original skills plan was conceived. Many of the themes were validated at the recent skills conference especially the skills shortages in food science and technology, engineering and technical. A key underpinning concern was also the poor image of the industry. It was obvious that the awareness and sourcing of provision is also an issue, with companies not understanding what provision is available and where to find it, and to a certain extent still the commitment of businesses to undertake training remains an issue.

Since the publication of the action plan, and resulting from the referendum result on leaving the EU, a new and urgent concern has developed around labour availability - whilst this is not necessarily only a skills issue, as a number of the roles filled by contingent or overseas labour are low skilled, it is a major people related issue that is in danger of restricting companies' ability to produce food in Wales.

The ability to impact the specific skills issues faced by the industry is influenced largely by Welsh skills policy: skills, like education being a devolved responsibility. There are a number of skills initiatives which deliver aspects of the Welsh Government's skills policy, although it has been observed that there appears to be considerable change in relatively short timescales which can add to the sense of bewilderment that businesses face.



The flagship skills policy is apprenticeships, and recent changes, announced in 'Aligning the Apprenticeship model to the needs of the Welsh economy' in February 2017, introduced an all age, any age approach, meaning that in theory any learner of any age can undertake an apprenticeship rather than previous restrictions of age or duration of employment being barriers. Nevertheless a substantial barrier to attracting talent is the policy that an individual with a qualification at one level cannot retrain through an apprenticeship if the new skills are at the same level. Thus in theory a middle aged hairdresser or a young person with A levels couldn't retrain as an engineering maintenance apprentice as they are the same level of qualification even if they are entirely different. The introduction of the UK wide apprenticeship levy, a company tax, could have a number of unintended consequences for multi-nation based organisations with sites in Wales; there is a real danger that the Welsh sites will be left behind as multi site centralised apprenticeship programmes are rolled out across English sites only as the levy can only be directly used by those companies in England. In trying to replicate these schemes companies in Wales fall foul of the 'same level qualifications' rule meaning they can only train some of their people.

Apprenticeship policy is changing and the aim is to align apprenticeships to a move to a higher skilled, higher level workforce prioritising apprenticeships at level 3 and above; the majority of apprenticeships in Wales, and in food and drink are at level 2. Indeed this raises a fundamental issue about the industry; whilst we aim to portray a positive image of the careers in the sector many of the jobs, in reality are low skilled and lower paid. The food industry is widely seen as part of the foundational economy - along with construction & energy and the environment, food and farming is one of only 3 priority sectors in Wales that are part of this economy. The foundational economy is marked by widespread and geographically dispersed employment opportunities but lower pay, lower levels of technical innovation and often a gender pay gap. Research suggests that intervention in this market could support greater levels of innovation. Importantly, if manual jobs could be automated it could transform employment in food and drink, with fewer but more highly skilled roles.

Finally the responsibility for designing, developing and determining the priorities for apprenticeships appears to be moving; to date employer led Sector Skills Councils, like the National Skills for Food and Drink, developed the apprenticeships in line with policy but with substantial involvement from employers; future apprenticeship design will be informed through recommendations from regional skills partnerships, labour market information and sector reviews carried about by Qualifications Wales. It is not clear how employers will have any involvement in their design in the future.

Unsurprisingly the Welsh food and drink industry shares similar challenges with other devolved nations and indeed with England and again the LMI largely demonstrates this.

These challenges were identified in the development of a UK wide skills analysis developed in association with 15 industry trade associations 3 years ago.

Following significant discussion and engagement a draft strategy was developed and the analysis identified 5 key themes for action. These were:

- The need to ensure a mobile, motivated and diverse workforce
- To address skills gaps and shortages that constrain productivity
- To improve the image of the industry with all stakeholders including young people
- To work together to build sustainable, more responsive and better quality training provision
- To address industry attitude and investment in skills and training.



Wales has a number of unique aspects that makes it importantly different to the rest of the UK.

These include:

- A much greater proportion of SME's and particularly micro businesses
- A geographically dispersed industry with poor transport links in some instances
- A lack of scale of businesses
- More 'multi-faceted' businesses – e.g. the farmer who manufactures sausages and retails them or operates a hospitality business
- A more 'food and farming' friendly government with proactivity with regard to supporting the industry
- Its own policies for skills and apprenticeships
- The Well-being of Future Generations (Wales) Act 2015, introduced on 1st April 2016.

This latter legislation provides a particularly strong context in which to frame activity around skills and potentially provides a competitive advantage for Wales. For skills in the food and drink industry a number of the themes in this plan strongly chime with the principles of the act. Good quality apprenticeships can deliver social mobility, and greater prosperity: opening doors and attracting local workers can help build more cohesive communities. Productivity improvements resulting from better skills can lead to a more prosperous Wales and when linked to sustainability improvements build a globally responsible Wales.

An analysis of all the information leads us to conclude that there are 4 major skills themes around where action is required if we are going to have any impact. In addition there is one skills 'related' issue. The issues are outlined along with the proposed actions to address them.

The Well-being of Future Generations (Wales) Act 2015

- 1 A globally responsible Wales
- 2 A prosperous Wales
- 3 A resilient Wales
- 4 A healthier Wales
- 5 A more equal Wales
- 6 A Wales of cohesive communities
- 7 A Wales of vibrant culture and thriving Welsh language



4 key skills themes for Wales.

- 1 Address the skills shortages that constrain productivity
- 2 Increase the uptake of apprenticeships in Wales through fit for purpose, industry designed, appropriately funded and well communicated apprenticeships
- 3 Improve the perception and understanding of the food and drink industry in Wales as offering an exciting career of choice
- 4 Address the challenges of a tightening labour market through innovation
- + Develop Wales as the home of innovation in food and drink (not necessarily skills)

Proposed actions to address.

1 Addressing the skills shortages that constrain productivity		
Objective	Mechanism	Tactic
Increase the number of food science and technologists trained to undertake a range of roles in the industry	Develop new apprenticeship routes to augment full-time roles	• Develop and launch a 'technical level' food technologist apprenticeship (L3)
		• Develop a degree level food technical apprenticeship
Develop new training to develop specifically trained food and drink engineers	Develop a new apprenticeship route	• Develop a food and drink specific engineering apprenticeship (L3)
Make it easier and more affordable for businesses to improve their technical, sales and commercial skills	Provide flexible funding for businesses to access in order to meet their specific needs	• Farming Connect and Food Skills Cymru programmes to fund training for businesses
Increase the number of graduates that enter the industry	Develop a new Welsh approach building on best practice in England	• Pilot the development of a shared agri-food professionals postgraduate scheme
Improve the commercial skills of food businesses to support new business development (link to market work stream)	Develop programmes to meet unique needs including clustering and supporting growth businesses	• Food and drink mentoring • Cywain from Menter a Busnes • New category management and business development programmes to support food companies developed

2

Increase the uptake of apprenticeships in Wales through fit for purpose, industry designed, appropriately funded and well communicated apprenticeships

Objective	Mechanism	Tactic
Improve the understanding and ease of finding information about food apprenticeships	All government support pages to have accurate and up to date information	<ul style="list-style-type: none"> • Careers Wales and Business Wales information to be easier to access • Food and Drink Wales to have information • All government pages to link with Tasty Careers and vice versa
	Provide simple, easy to understand materials linking available apprenticeships and providers	<ul style="list-style-type: none"> • Produce information to support employers – potential for future mailing. A 'what', 'who' and 'how'
Enable all potential future talent to be able to receive appropriate training for a career in the industry	Lift the restriction relating to 'previous qualification' for food and farming apprenticeships	<ul style="list-style-type: none"> • Cabinet Secretary to write to new Skills Minister
Introduce new apprenticeships and review current ones to ensure they are fit for the industry	Develop new technical (STEM) framework	<ul style="list-style-type: none"> • Develop new food science and engineering apprenticeships
	Ensure well-being of the Future Generations Act incorporated into apprenticeship design	<ul style="list-style-type: none"> • Food manufacturing excellence to promote sustainability and culture change
Increase the number of apprenticeships undertaken in food businesses	Ensure all businesses receiving support from Food Division prioritise apprenticeships	<ul style="list-style-type: none"> • Monitor skills and training plans to ensure these follow through with skills commitments
	Provide a level playing field for businesses paying the levy in Wales	<ul style="list-style-type: none"> • Make available a dedicated fund for levy paying businesses to access support UK wide apprenticeships
Ensure that the employer voice is not diminished in apprenticeship reforms	Industry Skills Partnerships (ISP) to be the formal voice of employers on apprenticeship designs	<ul style="list-style-type: none"> • ISP's to link formally to clusters where appropriate • Role to be added to terms of reference • Employers to write to Regional Skills Partnerships to ensure food and farming considered important

3

Improve the perception and understanding of the food and drink industry in Wales as offering an exciting career of choice

Objective	Mechanism	Tactic
Improve young people's awareness of careers in the food and farming industry	Ensure visibility and interaction where young people are looking	<ul style="list-style-type: none"> • Ensure industry attendance at Skills Cymru every year via Tasty Careers and increase interactivity on the site • Extend involvement of all the food chain (exc. retail) in Skills Cymru • Ensure web presence linked to key government sites and young people's interests • Promote careers at key industry events such as Winter Fair and Royal Welsh Show
Increase industry engagement in industry representational activity	Develop an industry pledge to support a school utilising the Tasty Careers toolkit	<ul style="list-style-type: none"> • Aim to have 50 companies sign up to the new pledge
Ensure options available for companies to engage with their local schools	Maintain and improve current offers in the Tasty Careers toolkit	<ul style="list-style-type: none"> • Continue to train Tasty Ambassadors, refreshing training to cover careers events, presentations and tour hosting • Maintain and develop 'Tasty Tours' to support visits to factories • Develop the food challenge (see next point) • Engage with the food and fun (holiday hunger) programme
Increase options for schools engagement	Develop a 'Food Challenge' to promote entrepreneurialism and engagement with jobs in the industry	<ul style="list-style-type: none"> • Based around Welsh curriculum learning outcomes (design and technology and science) to ensure relevant • Competition to develop a product in line with 'Future Generations' themes; healthy, Welsh provenance etc. • Team based with different roles e.g., market research, product development, packaging design, etc. • Shortlisted products to be displayed at Royal Welsh and Taste Wales • Prototyping to be undertaken by food centres • Winner announced at Taste Wales - voted for by international buyers

4

Address the challenges of a tightening labour market through innovation

Objective	Mechanism	Tactic
Address barriers that stop local workforces gaining employment in the food and drink industry	Pilot scheme successful in other parts of the UK in the Valleys to understand the specific issues that create barriers to employment in Wales	<ul style="list-style-type: none"> • Undertake a pilot with a food business to recruit for specific job roles engaging JCP, DWP, food company, training provider
Encourage the development of 'industry ready' local workforces	Develop a Wales food industry passport	<ul style="list-style-type: none"> • Provide cost effective and easy to reach set of training in key compliance subjects • Passport issued on completion e.g. training and potentially work experience
Review how innovation can support reducing overreliance on 'foundation economy' jobs	Encourage the development of a technology strategy for Wales to automate low skilled roles	<ul style="list-style-type: none"> • Consider Food and Drink Wales Industry Board development of an innovation strategy • Focus on key sectors e.g. meat to automate roles which are historically difficult to recruit for

5

Develop Wales as the home of innovation in food and drink (not necessarily skills)

Objective	Mechanism	Tactic
Develop Wales as the home of sustainable innovation for the food industry	Identify key innovation platforms for industry to work on pre competitively around Future Generations themes- e.g. sustainability and environment	<ul style="list-style-type: none"> • Promote R&D tax credits to the industry to harness opportunities • Identify key funding opportunities to develop new opportunities • Develop links between industry and Beacon (Bangor, Aberystwyth and Swansea University consortium)

