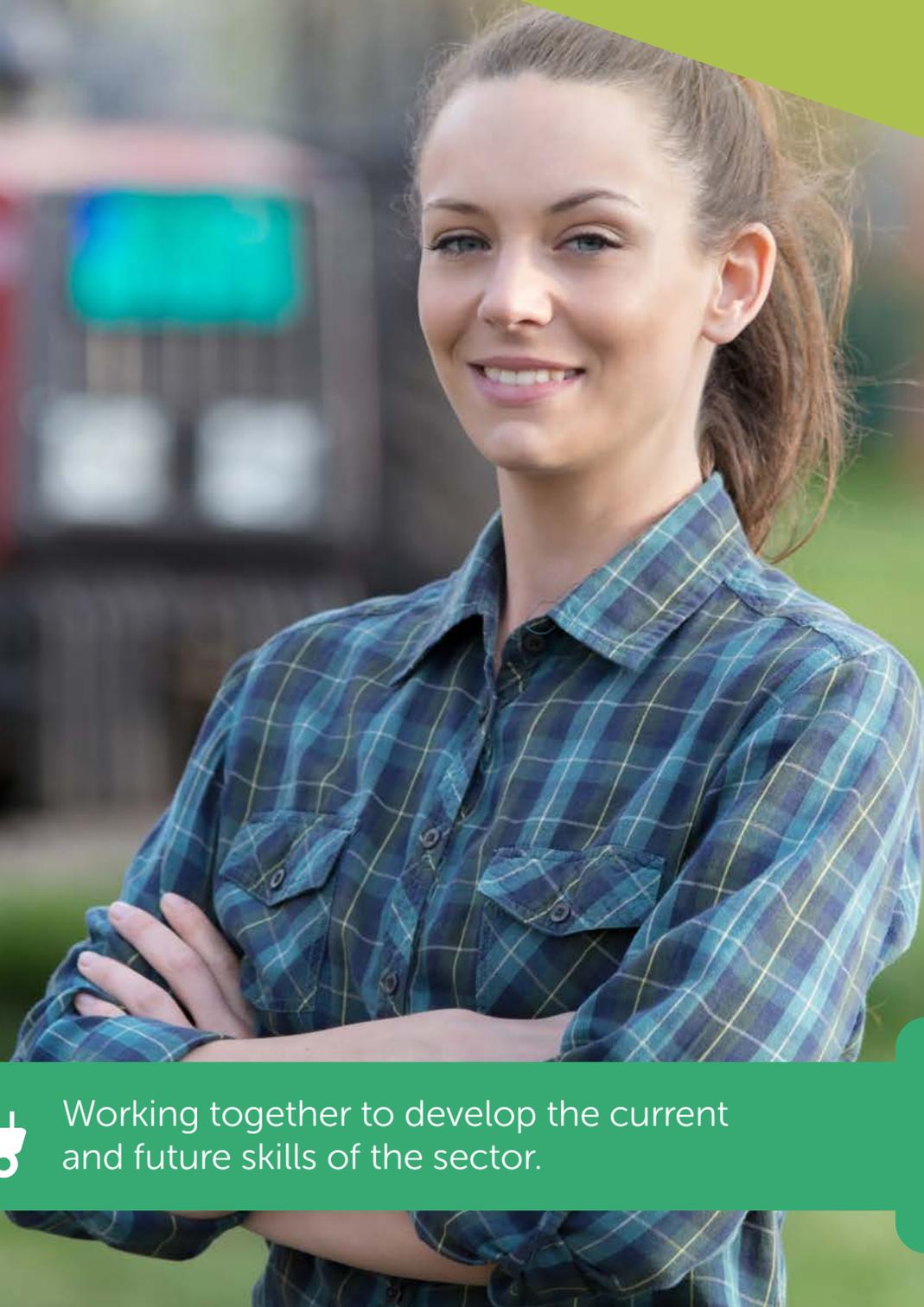


**Rural and Food Economy**  
West of England Local Sector  
Skills Statement 2019



Working together to develop the current and future skills of the sector.



The Local Sector Skills Statements provide up-to-date market intelligence from industry sectors; celebrating the notable achievements and expertise of businesses and education in the region compared to regional and national policy and research.

They provide insights into: the skills challenges faced by businesses in 2018/19, possible solutions, and potential partnerships for stakeholders to collaborate in the region.

The reports inform key priorities for: investment in training, education, careers advice and professional development in the West of England.



Produced and written by Business West

Business West is working in partnership with the West of England Combined Authority, West of England LEP and the region's universities and colleges through the Western Training Provider Network. The intelligence gathered feeds into the West of England skills strategy.



# Rural and Food Economy

## Local Sector Skills Statement 2019

The rural and food sector is an important part of the UK Economy. Food production is the UK's largest manufacturing sector, bigger than the automotive and aerospace sectors combined. <sup>(2)</sup> In the West of England the sector is significant, supporting 53,000 jobs and representing 11% of employment across the region.

In 2017, GVA from predominantly rural areas contributed to 15.8% of England's GVA, worth an estimated £246 billion. In 2016/17, there was a total of 547,000 businesses registered in rural areas, representing 24% of businesses registered in England and employing 3.5 million people. <sup>(1)</sup>

The UK's rural economy provides an essential basis for the food and drink sector and associated food chain industries across the UK, employing almost 4 million people and generating £112 billion each year for the UK economy. In 2016, the agri-food sector contributed £113 billion (6.4%) to the UK's GVA, representing an increase of 2.7% following a 3.9% increase in 2015. <sup>(3)</sup> Despite economic challenges this sector has continued to grow. However, the food sector has less scope for continual growth as there is a limit to consumer intake capacity and the sector therefore relies heavily on efficiency, productivity and quality improvements. Productivity in the UK food chain has risen by 1.9%, between 2015-2016 <sup>(3)</sup>, outperforming the wider economy which remained unchanged. This is an indication of the efficiency and competitiveness of the food industry in the UK.

The West of England has a key role to play in the future of food manufacturing in the country and is home to one of just 17 DEFRA designated Food Enterprise Zones in the UK. Located in North Somerset, this zone will include the flagship food and drink innovation centre, The Food Works<sup>SW</sup>, which will offer food-grade business units, product development facilities and food labs, plus hands-on business support to help new businesses begin and established producers to innovate and grow.

Despite its growth, the rural and food economy faces several challenges, including global challenges of climate change. Climate change is accelerating and 2017 was one of the world's three warmest years on record. <sup>(4)</sup> In the UK, floods, droughts and heat waves have become more common place.

It is predicted that 60% more food will be required worldwide by 2050 to feed a growing global population. <sup>(4)</sup> In order to produce resilient and sustainable food more efficiently, at the same time as reducing emissions and pollution, minimising waste and improving soil, it is imperative that farmers, businesses and academics work together to develop new technologies.

Agricultural technologies have been identified by the government as a key driver for growth in the rural economy sector and although technology is already being used to address some sector challenges, such as productivity, competitiveness, skills gaps and shortages, there is also a need to bring together farmers, growers and scientists to increase the use of technology to further improve productivity in both agriculture and food manufacturing. The UK is at the forefront of understanding crops and livestock and is already a global leader in environmental management and earth observation, sensors, big data, artificial intelligence and robotics. To further support technological development in this area, £90 million of funding is currently available, as a result of the 'Transforming Food Production Challenge' set out in the industrial strategy, to help businesses, researchers and industry to transform production to meet growing global demand.

## Challenges:

- ▶ Global warming
- ▶ Brexit
- ▶ Technology – agri-tech
- ▶ Connectivity (broadband and mobile coverage)

## Skills challenges:

- ▶ Changing skills needs across sector
- ▶ Competition with tech sector
- ▶ Low pay – poor perception of the industry
- ▶ Lack of provision regionally
- ▶ Accessibility to apprenticeships and training

Although technology is set to drive growth in the agri-food sector, there is widespread recognition that technological growth could be at risk due to a significant lack of skills. The development in innovative technology is transforming the food manufacturing sector and seeing a reduction in the need for manual labour and a rapid increase in the need for a skilled workforce in the areas of data analysis and cyber security.

There will be a need to upskill the existing workforce and attract new talent that is able to adopt and make best use of innovative technologies. It is likely that the sector will require skills covering a range of specialisms, sciences and innovation over the coming years and the sector is set to join many others in the race to recruit digital specialists.

This presents an additional challenge for the rural and food sector that still struggles with a poor perception of the industry but is now looking to compete for talent with other 'attractive' sectors.

# Key Facts

A summary of key facts both locally and nationally in this sector

The food supply chain employs almost **4 million people**.<sup>(2)</sup>



The food supply chain generates over **£112 billion of value** for the economy each year.<sup>(2)</sup>



The food and drink sector has a **turnover of £97.3 billion**, accounting for 19% of total UK manufacturing.<sup>(2)</sup>



There were approximately **6,700 micro and SMEs** in the food and drink sector in 2017, with a turnover of around **£18 billion** and employing **120,000 people**.<sup>(3)</sup>



The food and drink sector will need **140,000 new recruits by 2024**.<sup>(2)</sup>



**60% more food** will be needed worldwide by 2050 to feed the increasing global population.<sup>(4)</sup>



**74%** of respondents to the Business West Skills and Training Survey 2018 from the rural and food economy sector had **recruited in the last 12 months**.<sup>(6)</sup>



**73%** of businesses reported that staff had engaged in some sort of **training in the last 12 months**, with the majority using in-house training.<sup>(6)</sup>



**70%** of respondents from the rural and food economy sector have **never used apprenticeships** to recruit new staff or upskill existing staff.<sup>(6)</sup>



**66.7%** of respondents to the Business West Skills and Training Survey 2018 claim to have **no knowledge of how apprenticeships can be used to upskill existing staff**.<sup>(6)</sup>



The UK food & drink manufacturing sector employs more than **117,000 EU workers**, almost 1/3 of the sectors workforce.<sup>(2)</sup>



In 2017, total food and drink export figures were **worth more than £22 billion**.



# Notable Achievements

## Local Sector Skills Achievements in 2018

The Food and Drink Federation (FDF) has pledged to triple apprenticeships within the food and drink industry by 2020.

The Food Works<sup>SW</sup> - building work has now started on a unique food and drink innovation centre, located in the Food Enterprise Zone within the Junction 21 Enterprise Area. The centre will provide a range of specialist facilities and technical support for food and drink manufacturers across the South West region. The innovation centre will include 12 food grade business units, 4 product development areas, exhibition, training and workshop space and meeting facilities.

Thatchers Cider – Young Talent Programme recently won the prestigious IGD (Institute of Grocery Distribution) Award for Employability for their Young Talent Programme. Thatchers Cider Young Talent Programme has worked with schools, colleges and universities to develop an apprenticeship and graduate programme that is tailored to the needs of their industry. The programme has already reached over 10,000 young people through a series of engaging events and in its first full year saw 17 apprentices and graduates start work at Thatchers Cider. Thatchers Cider are now looking to work with other businesses in the region to share best practice.

UK Research & Innovation – Transforming Food Production: £90 million of funding is available to help businesses, researchers and industry transform food production to meet growing demand by creating high value jobs, industry growth and increased export opportunities.

A Packaging Professional Degree Apprenticeship was approved for delivery in June 2018 in response to the need to develop talent within the UK to develop eco-friendly packaging, which has become a key issue for food manufacturers, some of whom have pledged to make their packaging more eco-friendly.

# Skills Priorities for 2019

## Priority One

### Improve Careers Education Information Advice and Guidance (CEIAG)

- *Reflecting on how the objectives in this section can address equality and diversity.*



### Issues

The rural and food economy sector is a large employment sector that offers a range of career opportunities at a variety of skill levels. The sector struggles to attract young people, with only 1,245 students enrolling on food and drink related courses in the UK in 2015/16 <sup>(7)</sup>. Business engagement in schools can help to promote the sector. The appetite from businesses to engage with education is there, but in rural areas business engagement in schools is often sporadic and limited due to location. In order to secure a talent pipeline, the sector must establish strong, sustainable and meaningful relationships with education providers in the region.

### Objectives

- ▶ Showcase academic and vocational career pathways into and within the rural and food sector, through strong and sustained relationships with the region's education providers
- ▶ Promote the importance of STEM subjects to all and show clear links to the rural and food economy to encourage more STEM graduates to favour the sector as a career of choice
- ▶ Explore alternative forms of employer engagement (e.g. virtual work placements and e-mentoring)
- ▶ Develop regional food and drink careers ambassadors to link into the National Skills Academy
- ▶ Promote successful models of engagement in education in order to showcase best practice in the sector
- ▶ Support the National Careers Service and Careers Enterprise Network Advisers to further develop and improve Labour Market Information (LMI) and ensure that materials are available to support on-the-ground careers advice and guidance for practitioners as well as careers advisers

### Local Response

Thatchers Cider has developed a Young Talent Programme that has successfully engaged with over 10,000 young people through a range of events and resulted in 17 apprentices and graduates starting employment with Thatchers Cider in the first year of the programme. Thatchers Cider are working with other businesses within the region to share best practice.

The Food Works<sup>SW</sup> Food Innovation Centre will provide exhibition, training and workshop space that can be used to facilitate more educational engagement focused on the regional rural and food economy.

The West of England Careers Hub was launched in September to

work with 25 schools and colleges across the region to improve careers and work experience opportunities for young people. The hub offers targeted support to schools, including up to £3,500 per year to use on opportunities to strengthen links with employers, access to a Hub Network Group to build a community of good practice between schools, support from an Enterprise Coordinator and Enterprise Advisors, Careers Leader Training and Continuing Professional Development for wider teaching staff.

Skills West has delivered over 24 Labour Market Intelligence and careers advice events across the region over the period of the programme. This has included dissemination events at the 4 local FE Colleges and Careers Network Advisers.

### Future Recommendations

The sector to support the objectives of the Careers Enterprise Company in the West of England as part of the Enterprise Adviser Network and Careers Hub. In addition, to partner with other CEIAG agencies to engage with schools, FE Colleges and Higher Education to promote the sector.

# Skills Priorities for 2019

## Priority Two

### Improve the quality and responsiveness of local education and training provision



#### Issues

Despite growth and investment in the sector, there continues to be a lack of food and drink manufacturing provision in the West of England. Recommendations from research conducted by Grant Thornton for the Food and Drink Federation (FDF) included the need to work with education providers to increase the availability of specific food and drink manufacturing training. The research also reported that businesses felt courses offered by higher education institutions in other countries were more relevant to their needs. France and Spain were highlighted as providing niche courses and subsequently a wider pool of talent with sector relevant skills. Industry will require new skills to support the sector's increasing digitisation and businesses must raise the profile of digital and high-tech opportunities within the sector to those studying relevant subject areas.

#### Objectives

- ▶ Employers to collaborate with local training providers to identify, adapt and develop sector specific training for the food manufacturing sector through catalysts such as The Food Works<sup>sw</sup>
- ▶ Support businesses, education and training providers to develop provision that responds to the sector's skills requirements and reflects the changing skills requirements of the sector
- ▶ Increase the awareness of apprenticeship reforms and the financial support available to businesses to encourage greater take up of local provision
- ▶ Promote emerging opportunities for digital and high-tech roles within the rural and food economy to those currently studying in these subject areas
- ▶ Encourage development of new approaches to flexible learning delivery to minimise impact of staff taking time out from their job
- ▶ Encourage local education and training providers to collaborate with projects such as The Food Works<sup>sw</sup>, to provide sector specific training and development opportunities to those interested in a career in the sector and those already working within the sector, in order to develop the regional talent pool

#### Local Response

Building work has started on The Food Works<sup>sw</sup> which will provide access to training, exhibition and workshop facilities.

During the lifetime of the Skills West programme, three sets of Local Sector Skills Statements and Provider Action Planning analysis have been produced for each industry sector, offering up-to-date insight and data analysis within the region to support education with curriculum development.

#### Future Recommendations

Local businesses, education providers and stakeholders to work together to ensure continued co-design of curriculum.

# Skills Priorities for 2019

## Priority Three

### Increase apprenticeship starts and availability of higher apprenticeships

- *Reflecting on how the objectives in this section can address diversity and equality.*



### Issues

The food and drink manufacturing sector, along with the agricultural sector, has developed a number of industry specific apprenticeship standards up to and including degree level apprenticeships. However, in the Business West Skills and Training Survey 2018, 70% of respondents from the rural and food economy sector have never used apprenticeships to recruit new staff or upskill existing staff and 66.7% of respondents claim to have no knowledge of how apprenticeships can be used in this way. <sup>(6)</sup>

DEFRA, along with the Food and Drink Federation (FDF), has committed to trebling agriculture and food manufacturing apprenticeships by 2020. With the increase in automation and emerging digital technologies in the sector, apprenticeships must be encouraged as a resource to be used to upskill, reskill or retrain the existing workforce in order to increase productivity and remain competitive.

### Objectives

- ▶ Promote the use of apprenticeships to upskill, reskill or retrain the existing workforce
- ▶ Continue to support SMEs to effectively embed apprenticeships into the workplace
- ▶ Local business to work with local education and training providers to develop apprenticeship opportunities that promote entry routes and career progression within the industry
- ▶ Encourage more SMEs to take advantage of the benefits behind apprenticeships at all levels in order to create a skilled and diverse workforce
- ▶ Businesses to explore how digital apprenticeship standards can be embedded within their organisation to address the digital skills gap within the industry
- ▶ Support collaboration between education and industry to create work experience models and bridging programmes into apprenticeships
- ▶ Businesses to engage with the South West Apprenticeship Ambassador Network and encourage apprentices to become young ambassadors

### Local Response

Thatchers Cider Young Talent Programme recruited 17 apprentices and graduates in its first full year of running after working with education and training providers to develop a training programme that suits their industry specific needs.

Skills West, as part of Business West, has continued to work with employers to offer free advice and guidance on apprenticeships,

through face to face engagement and skills clinics. In 2018, skills advisers opened a pop-up shop during Bristol Independents Day to offer support to local SMEs.

The South West Apprenticeship Ambassador Network is building a strong cohort of business ambassadors and encouraging apprentices to become a young ambassador.

### Future Recommendations

Local businesses, education providers and stakeholders to continue to work together to ensure ongoing introduction of apprenticeships into business of the right quality and level.

# Skills Priorities for 2019

## Priority Four

### Engage SMEs in the active retention of staff through programmes of skills development and training to ensure increased productivity and sustainable growth

- *Encouraging SMEs to consider best practice in staff welfare.*



#### Issues

The rural and food economy is rapidly adopting automation, mechanisation and robotics and is heavily investing in new digital technologies in order to increase productivity and remain competitive. These technological developments are stimulating investment in people as industry seeks the new skill sets required to support these new technologies. Although many of these businesses are aware of the skills gaps and shortages, they are still unaware of the 2017 apprenticeship reforms and how they can benefit upskilling employees.

In the Business West Skills and Training Survey 2018, 59% of rural and food economy businesses had no knowledge of the apprenticeship levy, 64% had no knowledge of the funding support available and 67% had no knowledge of how to use apprenticeships to upskill existing employees. With DEFRA and the FDF committing to trebling the number of apprenticeships in the sector by 2020, it is clear that more information and support is required to make the most of these opportunities.

#### Objectives

- ▶ Support SMEs in exploring the best use of apprenticeships for recruitment and for upskilling existing staff
- ▶ Encourage businesses to engage with education and training providers to co-design training that is relevant to the needs of industry
- ▶ Encourage more training providers to offer flexible training outside of normal working hours
- ▶ Support businesses in identifying sector specific training and development and cross sector opportunities – specifically high-tech, digital etc.
- ▶ Future Bright, Business West and other local business engagement programmes to ensure businesses are aware of the support for in-work training and apprenticeships to upskill the existing workforce and support in-work progression for all employees
- ▶ Share best practice and learning between businesses within the sector

#### Local Response

The Future Bright programme in the region provides funding support for eligible learners to undertake training to support career progression.

Skills West teamed up with experts Atoll HR, to deliver interactive workshops for SMEs focussing on talent management and succession planning. Attendees gained knowledge, insight and

basic tools to help improve their people planning processes and employee retention to aid growth and productivity.

The South West Apprenticeship Company worked with Skills West to deliver advice and guidance to SMEs about how apprenticeships can be used to recruit new staff and upskill the existing workforce.

#### Future Recommendations

Ensure businesses are informed of the support for in-work training and apprenticeships to upskill their existing workforce and support in-work progression for all employees. Ensure best practice and learning is shared between businesses.

# Skills Priorities for 2019

## Priority Five

### Support SMEs to be inclusive and effective in staff recruitment

- *Reflecting on how the objectives in this section can address equality and diversity.*
- *How to build the talent pipeline in the region.*



### Issues

The food and drink manufacturing sector has an aging workforce, and is estimated to lose 40,000 people to retirement in the next decade. With 140,000 new employees required by 2024, <sup>(2)</sup> the sector recognises that currently there is not a wide enough pool of talent to fulfil this requirement. In addition, the sector is seeing a shift in the skills sets it requires for continued growth, with an increasing need for digital specialists. In order to address this skills gap, the sector must look to alternative sources of talent and make the sector an attractive career choice.

### Objectives

- ▶ Develop inclusive entry routes for new entrants – identifying transferable skills that are beneficial and desirable within the sector in order to attract 'career changers' and 'returners to work'
- ▶ Work with education and training providers to develop flexible and accessible training and development opportunities
- ▶ Encourage rural businesses to work across school and community groups in the most deprived areas of the West of England to illustrate the various career paths and entry routes into the sector
- ▶ Work with local education and training providers to promote digital pathways and entry routes and opportunities within the rural and food economy sector
- ▶ Promote and raise the profile of the rural and food economy sector across a range of subject areas, in order to appeal to those with the new and emerging skills set required by industry

### Local Response

The Skills West team, supported by Flexology, delivered a workshop focussing on flexible working. During the workshop, attendees learned about the benefits of a diverse talent pool and how to appeal to different groups through job descriptions. Signposting to diverse groups within the region was also

provided to encourage employer collaboration and engagement opportunities.

Skills West has gained 83 employability opportunities from businesses within the rural and food economy.

### Future Recommendations

Partners to continue working collaboratively to support businesses to be more inclusive in staff recruitment and recruitment practices.

## Regional Centres of Excellence and Research

The Food Works<sup>sw</sup>

## Key Training Providers

University of the West of England (UWE Bristol)

Bath Spa University

University of Bath

University of Bristol

City of Bristol College

Bath College

SGS College

Weston College

## Professional Networks and Organisations

Department for Environment, Food and Rural Affairs

National Farmers Union (NFU)

Food and Drink Federation (FDF)

Food and Drink Sector Council

West of England Rural Network (WERN)

National Skills Academy for Food and Drink

## Endorsed by

Chris Head, Executive Director, West of England Rural Network  
West of England LEP & West of England Combined Authority

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- 1) DEFRA 'Statistical Digest of Rural England' November 2018 edition
- 2) FDF – Food and Drink Federation – [www.fdf.org.uk/statsataglance](http://www.fdf.org.uk/statsataglance)
- 3) National Statistics – Food statistics in your pocket 2017: Food Chain – updates 9th October 2018
- 4) Transforming Food Production – UK Research and Innovation
- 5) Industrial IOT on land and at sea – Inmarsat/ Vanson Bourne – June 2017
- 6) Business West Skills and Training Survey 2018
- 7) FDF Manifesto 2017
- 8) DEFRA 'Health and Harmony: the future for food, farming and the environment in a Green Brexit' February 2018
- 9) Unlocking Talent – FDF
- 10) HM Government Industrial Strategy – Forging our Future – Dec 2018
- 11) HM Government Industrial Strategy 'Building a Britain fit for the future' 2017
- 12) The Food Workssw – [www.foodworks-sw.co.uk](http://www.foodworks-sw.co.uk)
- 13) National Skills Academy for Food and Drink – [www.tastycareers.org.uk](http://www.tastycareers.org.uk)
- 14) West of England Local Enterprise Partnership, Definition of Rural and Food Economy, <http://westofenglandlep.co.uk/sector-groups/rural-and-food-economy/>

## Supporting Research Documents

- a) West of England Combined Authority Business Plan, 2018/19
- b) West of England Combined Authority Operating Framework 2018/19
- c) Industrial Strategy: building a Britain fit for the future, November 2017
- d) The Grand Challenges, Policy paper, May 2018  
<https://www.gov.uk/government/publications/industrial-strategy-the-grand-challenges/industrial-strategy-the-grand-challenges>
- e) Careers strategy: making the most of everyone's skills and talents, December 2017
- f) Careers guidance: for further education colleges and sixth-form colleges, February 2018

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## Get in touch today



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**WEST OF  
ENGLAND**  
Combined Authority

The West of England Combined Authority (WECA) covers Bath & North East Somerset, Bristol and South Gloucestershire. WECA also supports the Local Enterprise Partnership, which includes North Somerset.