



Skills Investment Plan for Scotland's Food and Drink Sector





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1. Introduction

This Skills Investment Plan has been developed to support Scotland's food and drink industry growth strategy.

Background

The rationale for this Skills Investment Plan was agreed between the partners at the outset. The Plan was needed to build on the existing Labour Market Information produced by the Sector Skills Councils, Improve and Lantra, and identify through businesses where there were skills needs and demands in respect of the future growth of the industry.

Skills Development Scotland has had overall responsibility for managing the development of the Skills Investment Plan. The development process has included a wide range of partners involved in supporting the Scottish food and drink sector including the industry leadership group Scotland Food and Drink, Improve, Lantra, Scottish Enterprise, and the Scottish Funding Council.

Purpose and Skills Investment Plan Development

The purpose of this Skills Investment Plan is to support the achievement of the targets in the industry growth strategy 'Fresh Thinking' by highlighting the key actions that are currently taking place – and will need to be put in place – to meet the skills for growth needs of the industry.

This analysis has been developed through a process of:

- Reviewing the key evidence from the Improve and Lantra Sector Skills Assessments and the Scottish Employer Skills Survey to understand the broad skills issues facing the sector;
- Consulting with a sample of businesses to identify those skills which are considered to be the most important in securing growth for businesses in Scotland's food and drink sector;
- Testing those issues with industry representative bodies and key stakeholders; and
- Identifying actions through consultations with industry stakeholders and an action planning workshop.

2. Vision

Food and drink is one of the seven key growth sectors that the Scottish Government has identified as having the potential to increase Scotland's rate of economic growth.

The vision for the food and drink industry in Scotland is set out in 'Fresh Thinking', the industry strategy. The mission is to grow the industry both at home and overseas. The strategy also articulates a challenging vision of ensuring that Scotland achieves international recognition as 'A Land of Food and Drink.'

The industry strategy highlights a number of strengths upon which Scotland's food and drink industry can take advantage of in global markets. These are:

- Strong internationally competitive premium brands;
- Significant advantages in the provenance of its products – which people immediately associate with quality, authenticity and trustworthiness; and
- A reputation for naturally healthy foods.

3. The scale of the sector

Scotland's food and drink industry is broad and varied, and includes businesses in agriculture, fishing, production horticulture, aquaculture, the game and wildlife sector and food and drink manufacturing.

These core business activities, which are the focus of this Skills Investment Plan, are part of a wider supply chain which includes food and drink wholesaling, food and drink retail and non-residential catering.

The sector contains two broad types of businesses: primary producers, producing high quality raw materials and manufacturers and processors which process these raw materials to create an end product which can be taken to market. In addition some primary producers have integrated processing plants and will often use the same pool of labour.

The food and drink industry's status as a key sector is partly in recognition of the contribution which it makes to Scotland's economic growth.

Economic Contribution

In 2009, Gross Value Added (GVA) from the food and drink sector amounted to almost £4.8bn. Around four fifths of this GVA originated from the food and drink manufacturing sub-sector. The remaining fifth is generated by agriculture, fishing and aquaculture.

- Recent statistics from HMRC reveal that exports from Scotland's food and drink sector are now worth £5.4bn in 2011. Exports of whisky account for the largest share of total food and drink exports, with fish and seafood accounting for the largest share of food exports.
- Levels of productivity, measured by GVA per employee, are highest within food and drink manufacturing, at £89,221 – exceeding the industry average of £54,087.

- According to the Scottish Government's Key Sector data, Scotland's food and drink industry employs some 115,400 people. Around 66,000 are in the agriculture sector, 5,400 in the fishing and aquaculture sub-sector and 43,500 in food and drink manufacturing. In addition there are around 5,300 people employed in the game and wildlife sub-sector.
- Average weekly gross pay in the industry is £403.43. Wage levels are relatively higher in agriculture (£425.57) than they are in the food and drink manufacturing sub-sector (£390.31).

Business Base

- There are a total of 18,850 businesses operating in Scotland's food and drink sector. The vast majority of these businesses (86%) are agricultural businesses. A further 10% are in fishing and the remaining 4% are in food and drink manufacturing.
- Therefore, the business base is dominated by businesses in the agricultural and fishing sub-sectors.
- More than half of all agriculture businesses (54%), and around two-thirds (65%) of those in fishing, do not employ any staff. Therefore, these industries are dominated by sole traders/micro businesses.
- In the food and drink manufacturing sub-sector, on the other hand, less than one in every five businesses (17%) is a sole trader, with the vast majority (63%) employing between 1 and 49 employees. 19% of these businesses employ in excess of 50 staff, compared to 0% for both agriculture and fishing.
- In summary, agriculture and fishing employers are often small businesses which are either sole traders or employ only a small number of people. However, businesses in food and drink manufacturing tend to be larger in size, with almost one in five companies employing more than 50 members of staff.

Characteristics of the food and drink workforce

Labour Market Information compiled by the Sector Skills Councils Lantra and Improve through their Sector Skills Assessments, and the Scottish Employers Skills Survey reveals that the food and drink workforce has a number of defining characteristics:

- Ageing workforce – Relative to the age profile of the Scottish workforce, the food and drink industry is more likely to employ people over the age of 45. This is an issue for food and drink manufacturing and processing employers, although this trend is more pronounced for employers in the land-based and environmental sector. This suggests the need for a flow of new young entrants into the industry.
- Employment concentrated in relatively lower skilled occupations – Relative to the Scottish economy as whole, employers in both the land-based and environmental and food and drink manufacturing and processing sectors have a greater share of jobs in elementary occupations. Both also have a smaller share of professional occupations, although both also have a greater share working in skilled trades.
- Low levels of qualifications – Employers in both the land-based and environmental and food and drink manufacturing sectors are more likely to recruit someone with no qualifications. This is a greater issue for land-based employers, where employees are less likely to hold a formally recognised qualification.
- Primary producers are more likely to experience hard-to-fill vacancies and skill gaps – Compared with the rest of the economy as a whole, employers in the land-based and environmental sector are more likely to experience hard-to-fill vacancies. These hard-to-fill vacancies are most likely to occur as a result of a skills shortage. Employers in the food and drink manufacturing and processing sector are more likely to report a skills gap in their existing workforce. Skill gaps are most evident in machine operative and elementary staff.
- Lower levels of training within the land-based and environmental sector – Relative to the all-industry average of 65%, a smaller share of employers in the land-based and environmental sector (49%) fund or arrange training for their staff. Research from Lantra suggests that this relatively low level of training can “partly be explained by the lack of formal systems and planning in businesses to support this training.” It also explains that the cost of training is relatively high in this sector, largely due to the fact that the sector is dominated by smaller businesses which are unable to take advantage of economies of scale.
- Lower levels of training within food and drink manufacturing and processing businesses – Compared with all industries (61%), a smaller proportion of food and drink manufacturing and processing employers (57%) provide training for their staff. Research published in Improve’s most recent Sector Skills Assessment reveals that “training is primarily focused on confirming an individual’s competency for a task or role rather than driving business development or building capacity to enable the business to grow ... workforce skills development is driven by, and therefore focuses on, mandatory requirements of food safety, food hygiene and health and safety.”

4. Strategic issues and challenges

'Fresh Thinking', the industry strategy highlights a number of themes where the industry will need to raise the range of quality of skills in the current workforce, and ensure an adequate supply of new entrants, if the ambitious growth targets are to be met.

These themes are reflected in the Labour Market Information prepared by the Sector Skills Councils, and have been tested through detailed interviews with Scottish companies. The key demand-side challenges include:

- Attracting and retaining talent – The attractiveness of the sector to new entrants has the potential to drive future growth. Retaining people who currently work within Scotland's food and drink industry, and raising their skills, will be key to achieving the growth targets set out in 'Fresh Thinking'.
- Leadership and Entrepreneurialism – If the industry is to meet growth ambitions set out in 'Fresh Thinking' then it will require strong leadership and more entrepreneurs who can drive growth in existing businesses and create more global businesses. In addition, evidence from businesses of a strong culture of promotion within means that there is ongoing demand for strong supervisory and people management skills within the sector.
- Marketing, design and branding – Scotland already has a number of globally recognised brands which include whisky, salmon and beef products. A continued focus on creating more strong brands has the potential to increase sales of Scotland's food and drink products. To do this, the industry will need access to expertise in product marketing, design and branding.
- Internationalisation – Exporting more of Scotland's premium, provenance and health food and drink products will grow the value of the industry. While some sub-sectors are strongly active in export markets, the food and drink industry as a whole has not reached its exporting potential. The industry will need more people who understand both established and emerging (such as BRIC – Brazil, Russia, India and China) international markets.
- Innovation and Product Development – Scotland Food and Drink estimates that growth in sales of premium, provenance and health products could be worth an additional £1bn, £600m and £685m respectively to Scotland by 2017. To support this, the industry will need to increase its capacity to innovate and develop new products.
- Collaboration – There is evidence to suggest that collaborative supply chains can raise the competitiveness of companies and enable them to respond more swiftly to market changes.
- Sustainability – Scotland's food and drink industry has an important role to play in contributing to the national carbon reduction targets. 'Fresh Thinking' also suggests that strong environmental credentials will help to secure new customers in each of the three main product areas. The industry is likely to need people who understand the importance of sustainability and what it means for the future performance of the industry.

5. What are the priorities to support skills development in the food and drink sector?

The analysis carried out in developing the Skills Investment Plan, and the consultations with partners has identified four strategic priorities for the development of skills within the food and drink sector to meet the needs of the growth ambitions set out in 'Fresh Thinking'. These are:

- Raising the attractiveness of the sector to new entrants and retaining talent;
- Supporting company capacity to innovate;
- Driving leadership and management excellence in the sector; and
- Supporting the development of skills for growth in the workplace.

In addition the partners have identified a fifth, cross cutting theme of *Engaging with businesses on skills for growth*.

Raising the attractiveness of the sector to new entrants

Research with employers revealed that attracting and retaining talent was the most single most consistent issue raised by employers in relation to realising future growth ambitions. The attraction of new talent and retention of the existing workforce was seen as important because:

- Businesses need to fill vacancies and develop succession plans – This is especially important for those businesses where the age profile of the workforce is older and key staff is nearing retirement.
- Businesses need a skilled workforce in order to produce high quality goods and services – Workforce skills are integral in maintaining the production of high quality goods and services.
- Some employers are concerned about the attractiveness of the sector and their ability to bring new talent in to the business. Employers attributed this to the unattractive aspects of some of the jobs on offer across the industry including relatively low rates of pay, long working hours and shift work, periods of outdoors work and early starts.

Some specific skills challenges also highlighted in the research include:

- Shortages of butchers – Some meat processors reported challenges in both sourcing and retaining butchers to work in the industry.
- Shortage of people who want to work in agriculture – Farmers are particularly concerned with the shortage of young people who want to come and work in their industry. This leads to some employers looking to source skilled labour from outside of the UK.

Areas for action

The Skills Investment Plan development process has identified a number of areas for action. These include:

- Improving young people's awareness of career opportunities in the food and drink sector;
- Improving the attractiveness of the sector as a place to work;
- Effective employer engagement in schools and curriculum development; and
- Using Modern Apprenticeships to flexibly meet the needs of employers and address skills shortages.

Supporting company capacity to innovate

Innovation and product development have a key role to play in ensuring the sector remains competitive on an international stage and can meet the ambitious targets set out in 'Fresh Thinking'.

There is evidence that accessing the right technical skills to support future growth ambitions is a challenge for some employers in the industry, particularly in relation to accessing staff with the skills to support innovation and product development. A range of factors contribute to this, including:

- Shortage of supply of food technology courses – Businesses commented that there had been a reduction in the number of food technology courses at college, university and postgraduate level. The Further Education and Higher Education sectors face challenges in sustaining these courses due to low student demand.
- Shortage of Scottish applicants for Food Technology posts and rising costs – The decline in the number of food technology courses are thought to have led to a reduction in the number of food technologists available to work in the industry.

5. What are the priorities to support skills development in the food and drink sector? (continued)

- The cost of hiring food technologists/scientists has increased – Because there are fewer food and drink technologists, candidates who do have these skills and experience can command high salaries and/or fees if acting as a consultant.
- Levels of Research and Development spend in the sector are also low and the survey identified a need to increase the range of companies undertaking product development.
- Companies find it difficult to access people with the right mix of academic and commercial skills – New graduates may often have the technical skills for the job, but not necessarily skills in the softer aspects of the job – customer service, creativity, project management and team working.

The survey also highlighted some evidence of specific skills shortages including:

- Shortage of agronomists – A small number of companies in the fruit and vegetable sub-sector were concerned about perceived shortages of agronomists in the industry. The concern was that there was a shortage of people with these skills and an inadequate supply of new talent to fill this gap.
- Shortage of engineers – Companies also reported difficulties recruiting engineers. There was little evidence to indicate that this was a supply issue. Instead, companies reported that these gaps were a result of competition from other industries and other parts of the country.

Areas for action

The Skills Investment Plan development process has identified a number of areas for action. These include:

- Quantifying demand for food science and technology skills in business and identifying sustainable ways of meeting this demand. – The survey highlights a potential market failure in that companies are highlighting a demand for food science and technology skills which the supply side seems unable to effectively meet.
- In addition there may be a need to improve marketing of existing food technology/science provision.
- Increasing the range of breadth of companies undertaking product development and innovation.
- Ensuring companies have access to the right skills for innovation and product development.
- Connecting companies with the research and knowledge base within the Further Education and Higher Education sectors.

Driving leadership and management excellence in the sector

Leadership and management was the second equal most common issues identified by employers and was one of the most important issues in terms of supporting growth ambitions. The research suggested that businesses value excellent leadership and management skills for a number of reasons. Good leadership and management:

- Is important in creating a clear growth plan for the business and setting direction for the company;
- Can create a culture of excellence and improvement in the business, particularly in relation to skills development;
- Helps companies maintain competitive advantage and break into new markets;
- Can make the case for future investment, particularly in businesses that are part of a larger company group; and
- Helps to reduce staff turnover and retain talent within the business.

The Skills Investment Plan development process however highlighted a number of challenges facing businesses in terms of developing leadership, management and entrepreneurship skills:

- Cost can be a significant barrier to developing leadership and management skills – particularly in smaller companies.
- Taking time out of the business to train managers can be a deterrent to skills development – particularly if this involves time away from the business premises.
- In spite of the wide range of management and leadership training available levels of leadership development – and management training – are lower in food in drink in comparison to other sectors.

The research with businesses also highlighted the importance of supervisory skills, especially in manufacturing and processing businesses where there is often a strong requirement for consistent production processes and control of costs and margins. Skills needs were identified in a range of areas including cost control, people management and problem solving.

Areas for action

The Skills Investment Plan development process has identified a number of areas for action. These include:

- Supporting the creation of leaders in growth businesses.
- Increasing levels of management supervisory training within businesses.
- Stimulating demand within businesses for leadership and management skills.

Supporting the development of skills for growth in the workplace.

The research also identified a number of other skills areas where there were opportunities to support skills development. These are highlighted below.

Marketing, design and branding

Marketing, design and branding is an important aspect of growth for some employers – although it was highlighted less frequently than some of the issues already discussed. Skills in this area are important for growth because of the role they can play in supporting businesses to:

- Enter into new markets – In order to do this, businesses must have a good understanding of the needs of the customers in these new markets.
- Increase market share and remain competitive – Businesses need to know where to position their product in the market, especially when consumers are being more tactical with their purchasing decisions. They also need to be able to effectively communicate attractive aspects of their product – such as compliance with quality assurance schemes or the organic origin of raw inputs.

Research with businesses revealed little evidence of skill gaps in marketing, design and branding. This could be because:

- In smaller companies marketing activity is often carried out by the Managing Director or another member of staff – not by dedicated marketers. For these companies, this is viewed as just a part of the day-to-day running of the business. It may therefore be difficult for these companies to identify areas where they need to develop or build new skills.

- Cost can be an issue for some smaller businesses looking to recruit a dedicated marketing role. So too can the fact that the volume of work for such a position in a small business is not always justifiable. For this reason, many businesses choose to rely on external consultants as and when required, for support with ad-hoc pieces of work.
- Larger companies often have their own dedicated marketing team and as a result are less likely to identify many skill gaps or shortages.

Collaboration

The research has identified that collaborative working can contribute to the growth aspirations of participating businesses as well as the food and drink industry as a whole. Not all businesses choose to work in this way, but those who do adopt this type of approach are driven by the wide range of benefits which can be generated through collaborative working. These benefits provide a clear commercial motivation for businesses to work together and can enable them to:

- Reduce costs – Working in partnership with other businesses means that participants can benefit from economies of scale, increased buying power and improved production methods – some of which may not be possible without collaboration. In turn, this can lead to reductions in costs such as staff, production, marketing and transport.
- Market products under a regional brand – Companies producing different goods can strengthen their individual brands by coming together to collectively market their produce under an umbrella identity which is based around their location.
- Address skills challenges – Collaboration can also be used as a way of addressing skills challenges facing individual businesses and the industry as a whole.

The research has identified examples of different types of collaborative working arrangements which already take place within the sector:

- Sub-sectoral collaboration – This can take a number of forms including: companies from different points in the supply chain collaborating to ensure supply chain sustainability; those at the same point in the supply chain collaborating to improve production methods/share best practice; or those working together with one another (and/or with industry bodies) to develop a solution to a common skills gap or shortage.

5. What are the priorities to support skills development in the food and drink sector? (continued)

- Geographical collaboration – One example of this is a co-operative of eight member businesses all based in the same remote location. Three of these businesses are 'core' members who share costs and some staff and distribute profit from a proportion of sales from each business. Benefits for the wider membership include reduced transport costs, branding support and access to reduced prices through increased buying power.

Research with businesses revealed that collaboration itself is not viewed as a 'skill' but as an approach or a way of working. Because of this, the challenges that businesses face in building collaborative working arrangements are not about access to skills but are instead about:

- Time – Establishing collaboration with other businesses requires an investment in time and resources. Some businesses were concerned that time spent working with others can detract from time spent generating sales for their own business.
- Securing commitment from partners – Potential partners often need to be convinced at the outset that collaborative working will benefit them.

Exporting and Internationalisation

Although exporting and internationalisation is an important component of growth for some companies, it was raised less frequently than some of the other strategic priorities. Companies were more likely to highlight the importance of internationalisation if they were already operating in export markets, pointing out that it can help to drive growth by:

- Creating new market opportunities – International markets create new opportunities for food and drink companies in Scotland. For example, the growth of the middle classes in the Middle East or the BRIC (Brazil, Russia, India, China) countries represents a significant opportunity for Scotland's food and drink sector.
- Increasing margin – International markets can also create an opportunity for companies to increase margin.

Whilst internationalisation can contribute to the growth targets of some companies, it is not a priority for all. For example, some companies produce goods which are not suitable for exporting. Others don't export because they believe there is insufficient demand at an international level.

Discussion with businesses uncovered very few reports of skill gaps and shortages in this area. There are a number of factors which may contribute to this:

- The majority of businesses which highlighted the importance of internationalisation were already operating in export markets.
- Good awareness of available exporting support – Companies which were already exporting seemed to have a high level of awareness of the support available through Scottish Development International and Scottish Enterprise/Highlands and Islands Enterprise.

The Skills Investment Plan development process noted that the performance of the food and drink sector as a whole was strong, but there were issues raised about whether the sector was reaching its full potential. Scottish food and drink exports are dominated by the whisky sector and to a lesser extent fish and seafood. There was a perceived need to broaden the base of companies and sectors undertaking exporting.

Sustainability

Although there was recognition of the importance of sustainability to support future growth, few companies actually talked about skills specifically relating to sustainability. However, there were cases where the sustainability agenda is reflected within other areas of the business. For some companies, for example, their marketing activity reflects their 'green' credentials and/or compliance with quality assurance schemes. For others, adhering to carbon reduction targets forces them to be more innovative and reduce waste in the way that they produce their goods.

During the research, companies identified important drivers, and commercial opportunities, that were compelling the sector to adopt more sustainable business practices. These included:

- Legislative compliance – Companies have to anticipate, respond and adapt to legislation with environmental and sustainability implications.
- Changing consumer tastes and demand – Consumers are increasingly aware of the environmental costs of food production and are exercising choice by purchasing products that clearly demonstrate sustainability credentials.
- Supply chain compliance – Large retailers require strict compliance in terms of minimising the environmental costs of food production and manufacturing. Marks and Spencer's well publicised 'Plan A', for example, is mirrored by other supermarket chains.

- Sustainability objectives increasingly align with good business practice – Many environmentally sustainable business practices such as waste minimisation, reducing packaging and minimising transport costs also make good commercial sense in terms of increasing profit margins.

Areas for action

The Skills Investment Plan development process identified a number of areas for action in terms of Skills for Growth. These included:

- Promoting the benefits of collaboration.
- Assisting companies with UK market development.
- Growing international exports and increasing the range of companies who export.
- Helping businesses reduce waste and increase sustainability.

Engaging with businesses on skills for growth

The business research and the development process also highlighted a final cross-cutting theme for the Skills Investment Plan that underpinned each of the specific skills areas, namely to effectively engage with businesses on skills for growth issues. The process identified three specific issues that were needed to be reflected in the development of the Skills Investment Plan, namely:

- Recognising the potential contribution of different sub-sectors to meeting the 'Fresh Thinking' targets.
- Encouraging companies to use skills development to achieve competitive advantage.
- Better alignment and targeting of support for skills development by public sector partners.

Recognising the potential contribution of different sub-sectors and companies

The research with businesses suggested that companies in the sector fall across three broadly defined groups:

- Companies with defined growth ambitions and with a clear plan of how they will achieve this: These businesses were clear in the scale of their growth ambitions, the ways in which this would be achieved and were more likely to be able to articulate the skills they needed to develop to support that growth. These were typically larger firms employing upwards of 50 staff, with some who have headquarters outside Scotland and the UK. This group also included some smaller high growth new start business. The businesses in this group tended to already be active, to some extent, in export markets.
- Those who want to grow, but don't have a clear growth plan: These companies had ambitions to grow, but they were less clearly defined. As a result they were not always well placed to discuss the skills implications of or barriers to achieving growth. These companies included those from a broad range of sub-sectors, with turnover ranging from less than £500,000 to £10,000,000 per annum. They were less likely to be involved in export markets.
- Those who do not have growth ambitions or are driven primarily by continuing with business as usual or focusing on survival: Some of these are lifestyle businesses which have no plans to grow in the future. For others, growth is not an option because they are constrained by economic pressures. This group was more likely to include smaller businesses which were not involved in exporting.

This distinction in company attitudes to growth has important strategic implications for any industry growth strategy and skills for growth interventions. Companies in the first two groups are likely to make the most significant contribution to the growth ambitions set out in 'Fresh Thinking' and have the greatest potential to deliver growth. Companies who fall within the second group are also likely to derive most benefit from skills development support to define, refine and meet their growth targets. It is also important that support is made available to the third group of companies, providing flexible and easy access to skills development if and when required.

5. What are the priorities to support skills development in the food and drink sector? (continued)

Encouraging companies to use skills development to achieve competitive advantage

One of the keys to achieving this will be to encourage companies to develop more sophisticated and planned approaches to skills development. The evidence from research reflects the skills engagement model being developed by Improve, which notes that skills development in the sector tends to focus on addressing compliance issues for example of food safety, health safety or other legislative requirements.

A key challenge for the sector needs is to shift the balance of skills investment towards assessing and developing the competence issues of the workforce, particularly in production environments.

This activity can provide a strong foundation on which to build and act as a catalyst for companies who have the ability or willingness to invest in skills development for competitive advantage.

Aligning public sector support for skills development

The extent to which companies are engaged with the public sector to address skills and growth issues is a critical one for the Skills Investment Plan. Discussions with stakeholders and industry leadership bodies during the Skills Investment Plan development process suggested that:

- Companies that want to grow and that have a clear growth plan are very likely to be engaged with Scottish Enterprise's or Highlands and Islands Enterprise's Account Management programme, with the Industry Leadership Group, Scotland Food and Drink or one of a number of Industry Trade Associations. These companies may have accessed support for an Organisational Development Review that defines their skills needs. These companies are likely to make a significant contribution to meeting the industry's growth targets.
- Levels of engagement with companies in the 'want to grow' group is much less clear. These companies are an important strategic priority as they have the potential to contribute to 'Fresh Thinking' targets, and are more likely to be open to support to help better refine their skills needs and actions.

- The rationale for engagement with companies in the third group, with low growth ambitions, is less clear in support of an industry growth strategy. The key rationale for engaging with this group is to raise their growth ambitions. Engagement with existing skills and, in particular, business support programmes (such as Modern Apprenticeships, Flexible Training Opportunities, Regional Food and Drink Forums and Business Gateway) will play an important role in raising their growth ambitions and creating a highly developed workforce.

The research has suggested that there is a need for better understanding the scale of companies who fall into the 'want to grow, but don't have a clear growth plan' group – and to identify ways in which this group can be more effectively targeted.

6. Skills Investment Plan – Action Plan

The areas for action presented in Section 5 have provided the basis for the development of the Skills Investment Plan – Action Plan. This involved:

- Individual consultations with Scotland Food and Drink, Scottish Enterprise, Improve, Lantra, the Scottish Funding Council, Scotland Food and Drink Skills Academy, Scotland's Colleges, Scottish Food and Drink Federation, Scottish Bakers and Quality Meat Scotland to shape the Action Plan.
- The development of 'supply side maps' which identified current actions undertaken and being delivered by the partners in support of the action areas identified in the Skills Investment Plan.
- A stakeholder workshop, attended by the above named consultees, and the Scottish Government, to agree what new or additional activities should be included in the Skills Investment Plan – Action Plan.

In identifying specific new or additional activities, there was agreement at the stakeholder workshop that these activities should:

- Build upon what's currently in place to address Skills for Growth issues and reflect ongoing work to support growth of the food and drink sector.
- Consist of actions that have a clear skills dimension and be about:
 - Better integrating existing skills actions;
 - Meeting gaps where additional action to address skills is needed; and
 - Increasing the scale or uptake of existing actions.
- Be clear on who is responsible for delivery and timescales for delivery.

Raising the attractiveness of the sector to new entrants

Areas for action

The Skills Investment Plan identified a number of areas for action including:

- Improving young people's awareness of career opportunities in the food and drink sector.
- Improving the attractiveness of the sector as a place to work.
- Effective employer engagement in schools and curriculum development.
- Using Modern Apprenticeships to meet the needs of employers and address skills shortages.

What is currently in place?

The supply mapping identified a wide range of existing activity which seeks to raise the attractiveness of the sector to new entrants. These are shown on Table 1.

6. Skills Investment Plan – Action Plan (continued)

Table 1: Existing activity – Raising the attractiveness of the sector to new entrants

Improving young people's awareness of Career Opportunities	Improving perceptions of the Industry	Employer engagement	Using MAs to address Skills Needs
<ul style="list-style-type: none"> • My World of Work (SDS) • Career Information Advice and Guidance (SDS) 	<ul style="list-style-type: none"> • A Future in Food (SFDF) • Talent Scotland (SE and HIE) • Graduate Placement Programme (SE and HIE) 		<ul style="list-style-type: none"> • Modern Apprenticeships delivery and promotion (SDS)
<ul style="list-style-type: none"> • Career Attractiveness (Improve) • Busting the Myths and career case studies (SFDF) 	<ul style="list-style-type: none"> • Scotland Education Food Partnership (Scottish Govt) 	<ul style="list-style-type: none"> • Curriculum for Excellence (Scottish Govt) 	<ul style="list-style-type: none"> • Modern Apprenticeships targeting to skills needs, developing frameworks, annual demand (Improve and Lantra)
<ul style="list-style-type: none"> • Career Promotion Website/Factsheets (Improve and Lantra) • Learner of the Year Awards (Lantra) 			
<ul style="list-style-type: none"> • Food and Drink Skills Ambassadors Network (SFDF) 		<ul style="list-style-type: none"> • Schools Engagement (Lantra and RHET) 	<ul style="list-style-type: none"> • Skills for Work in Rural Skills (Lantra) • NPA's in Aquaculture and Rural Skills (Lantra)

For list of abbreviations, please see page 24.

Table 2: New or additional actions

Action	Description	Lead partner(s)	Timescale
Integrating existing careers advice to young people on food and drink career opportunities	My World of Work is the primary careers self-help portal for young people and is delivered by Skills Development Scotland. There is a need to ensure that My World of Work builds in appropriate links with the detailed information on specific career options provided by Lantra, Improve and the Scottish Food and Drink Federation (amongst others).	<ul style="list-style-type: none"> Skills Development Scotland 	April 2012 onwards
Improving knowledge and awareness of Careers Advisers on opportunities within food and drink	<p>Skills Development Scotland will undertake a rolling programme of Labour Market Information events, supported by the Sector Skills Councils, across Scotland, targeted at Careers Advisers to improve their awareness of food and drink career opportunities.</p> <p>Specific priority given to those areas where there are high proportions of food and drink employers.</p>	<ul style="list-style-type: none"> Skills Development Scotland 	Ongoing
Increasing scale of employer engagement with Education	<p>Scottish Food and Drink Federation will explore opportunities to extend scale and reach of employer engagement with education and bring proposals to Scottish Food and Drink Federation Skills Group for wider participation and roll out.</p> <p>Scottish Food and Drink Federation will deliver a newly launched network of Food and Drink Skills Ambassadors to promote the sector.</p> <p>Scottish Food and Drink Federation will bid for three year funding to continue delivering and developing the 'Future in Food' initiative.</p>	<ul style="list-style-type: none"> Scottish Food and Drink Federation 	September 2012
Increasing uptake of Modern Apprenticeships in hard to reach sectors/meeting skills shortages	<p>Improve and Lantra will review uptake of Modern Apprenticeships on a sub-sectoral basis in Scotland and identify those sub-sectors with low uptake/reporting skills shortages.</p> <p>Negotiate flexible delivery pilot in conjunction with Skills Development Scotland and relevant trade associations.</p>	<ul style="list-style-type: none"> Improve Lantra 	September 2012

6. Skills Investment Plan – Action Plan (continued)

Table 2: New or additional actions (continued)

Action	Description	Lead partner(s)	Timescale
Food and Drink Skills Calendar	The Scotland Food and Drink Skills Group will prepare a 'campaign calendar' identifying the range of events currently used to promote food and drink careers in Scotland	<ul style="list-style-type: none"> Scotland Food and Drink Skills Group 	March 2012
Pathways to Employment	<p>Pilot projects in the meat sector offering pre-employment training, a work placement and interview to unemployed job seekers.</p> <p>The project will bring together employers who will offer work placements and interview/job opportunities and Modern Apprenticeships for successful participants.</p>	<ul style="list-style-type: none"> Improve 	July 2012
Access to Bakery Jobs	<p>Pilot project with Scottish Bakers and key companies within targeted local authorities providing pre-employment and skills training.</p> <p>Work placement opportunities will be offered within the bakery sector and successful applicants will move on to undertake a Modern Apprenticeship.</p>	<ul style="list-style-type: none"> Scottish Bakers 	July 2012
Food and Drink – Open Doors	<p>Develop a pilot project with a key group of companies to provide information on food and drink allowing access to their premises.</p> <p>The project aims to highlight a vibrant food and drink sector offering a diverse career opportunities available</p>	<ul style="list-style-type: none"> Scottish Food and Drink Federation 	October 2012
Food and Drink Industry Pledge	<p>Scotland Food and Drink Skills Group to develop an Industry Pledge that articulates the commitment by industry to promote the sector and support economic recovery. An offer of:</p> <ul style="list-style-type: none"> Modern Apprenticeships Work Experience/Placements opportunities Access to Skills Ambassadors 	<ul style="list-style-type: none"> Scotland Food and Drink Skills Group 	June 2012

Table 2: New or additional actions (continued)

Action	Description	Lead partner(s)	Timescale
Lantra Careers	Feasibility work undertaken to develop a Modern Apprentice Share Scheme for primary producers. This group of companies traditionally have found it difficult to commit to a three to four year apprentice place due to the seasonal nature of work and the breadth of training necessary. The project seeks to provide additional apprentice places within the small and micro business community and address the barriers and difficulties they face.	• Lantra	October 2012
Food and Drink College Placements	Develop a database of employers in the food and drink sector who will offer work placements and job tasters to students.	• Scotland's Colleges	August 2012
Food and Drink College Events	Marketing event for learners to encourage take-up of college provision in food and drink courses.	• Scotland's Colleges	August 2012 onwards
Primary Sector Career Routemaps	A series of job profiles for primary producers will be developed with career case studies. A web portal will support this activity with a Facebook page for marketing and promotion.	• Lantra	March 2013

Supporting company capacity to innovate

Areas for action

The Skills Investment Plan identified a number of areas for action including:

- Quantifying demand for food science and technology skills in business, identifying sustainable ways of meeting this demand and improved marketing of existing food technology/science provision.
- Increasing the range of breadth of companies undertaking product development and innovation.

- Ensuring companies have access to the right skills for innovation and product development.

- Connecting companies with the research and knowledge base within the Further Education and Higher Education sectors.

What is currently in place?

The supply mapping identified a wide range of existing activity in terms of company capacity to innovate. These are shown on Table 3.

6. Skills Investment Plan – Action Plan (continued)

Table 3: Existing activity – Company capacity to innovate

Demand for food scientists/ technologists/ agronomists	Increasing breadth of companies developing new products/ innovating	External advice/ skills for innovation and product development	Connecting companies to FE/ HE research and knowledge base
<ul style="list-style-type: none"> Existing Further Education provision under threat from low demand 	<ul style="list-style-type: none"> Insight Market Intelligence (SF&D) 		<ul style="list-style-type: none"> Interface (HE)
<ul style="list-style-type: none"> Promotion of sector, career attractiveness and Labour Market Information (Improve) 	<ul style="list-style-type: none"> Innovation Headline Events/Workshops (SE and HIE) Access to markets (SF&D) 	<ul style="list-style-type: none"> Company 1:1 Support (SE and HIE) 	<ul style="list-style-type: none"> Food and Drink Innovation Network (SFC)
	<ul style="list-style-type: none"> International Activity Support (SDI) 		<ul style="list-style-type: none"> SEEKIT (Individual HEs)
	<ul style="list-style-type: none"> Food and Health Innovation Service (SE and HIE) 		<ul style="list-style-type: none"> Red Meat Programme (QMS)
	<ul style="list-style-type: none"> Reformulation Programme (SFDF) Business Skills for Rural Women (Lantra) Whole Farm Review and Farm Business Assurance Scheme (Lantra and Scottish Govt) 		

For list of abbreviations, please see page 24.

Table 4: New or additional actions

Action	Description	Lead partner(s)	Timescale
Quantifying demand for food technology and science skills.	<p>Research will be undertaken to quantify the scale of company demand for food technology/food science/agronomy skills in the food and drink sector. This should also consider the most effective route to develop these skills and consider any barriers to skills development including:</p> <ul style="list-style-type: none"> • Upskilling of existing employees • Further Education/Higher Education qualifications for first graduates • Food specific training for scientists/engineers • Development of Advanced/Higher Modern Apprenticeships <p>Following on from the above research the Scotland Food and Drink Skills Group should develop proposals for ensuring any identified food science and skills needs are effectively met.</p>	<ul style="list-style-type: none"> • Improve • Lantra 	September 2012
Understanding skills gaps in terms of innovation and product development	<p>The supply mapping highlighted that there are a wide range of interventions in place which seek to encourage and support companies to undertake innovation and product development.</p> <p>Scottish Enterprise will consult with Innovation advisers and the Food and Drink Innovation Network to identify whether there are any specific or common skills gaps amongst companies that could be addressed.</p>	<ul style="list-style-type: none"> • Scottish Enterprise • Highlands and Islands Enterprise 	September 2012
Graduate internships	Scotland Food and Drink Skills Academy will explore the potential to establish a single point of contact for student internships and work placements in Scottish food and drink companies.	<ul style="list-style-type: none"> • Scotland Food and Drink Skills Academy 	August 2012
Agronomy Career Route Map	Develop a career route map that shows progression within the land based sector leading to agronomy qualifications and skills.	<ul style="list-style-type: none"> • Lantra 	November 2012
Increase number of Engineers	Creation of a Centre of Excellence in Food Production Engineering within the UK and also a new Undergraduate level sandwich course in food engineering, to support establishing this area as both a discipline and a profession in its own right.	<ul style="list-style-type: none"> • Improve 	November 2012

6. Skills Investment Plan – Action Plan (continued)

Driving leadership and management excellence in the sector

Areas for action

The Skills Investment Plan development process has identified a number of areas for action. These include:

- Supporting the creation of leaders in growth businesses.
- Increasing levels of management supervisory training within businesses.

- Stimulating demand within businesses for leadership and management skills.

What is currently in place?

There is a Strategic Forum Framework for Action covering Leadership and Ambition that identifies a wide range of leadership and management programmes and services, including those specific to the food and drink sector shown on Table 5.

Table 5: Existing activity – Leadership and management excellence

Creating leaders in growth businesses	Increasing levels of management and supervisory training	Stimulating demand from businesses
<ul style="list-style-type: none"> • Leadership for Growth; Emerging Leaders; Leadership Learning Journeys; (SE) 	<ul style="list-style-type: none"> • Fellowship in Food and Drink Manufacturing (SAC/Abertay University) 	<ul style="list-style-type: none"> • SE and HIE Account Management
<ul style="list-style-type: none"> • MIT Entrepreneurship/Leadership Forum; (HIE/MIT/Scottish Chambers of Commerce) 	<ul style="list-style-type: none"> • Business Skills for Rural Women (Lantra) 	<ul style="list-style-type: none"> • SF&D Skills Academy
<ul style="list-style-type: none"> • Business Mentoring (SE/HIE/Scottish Chambers of Commerce) 		<ul style="list-style-type: none"> • SF&D
<ul style="list-style-type: none"> • Rural Leadership Programme (SE) • Planning to Succeed (SE) 	<ul style="list-style-type: none"> • Flexible Training Opportunities NLOD (SDS) 	<ul style="list-style-type: none"> • Industry Organisations • Sector Skills Councils • Business Gateway • Lantra One-Stop Shop (Lantra and SDS)

For list of abbreviations, please see page 24.

Table 6: New or additional actions

Action	Description	Lead partner(s)	Timescale
Leadership promotion	Scottish Enterprise will undertake a targeted leadership e-marketing programme during Spring 2012 to raise awareness of the benefits of effective leadership in businesses and highlight available support from the Enterprise Network and other partners. Scottish Enterprise will liaise with partners including Scotland Food and Drink to tailor messages and identify channels specifically for food and drink companies.	<ul style="list-style-type: none"> • Scottish Enterprise 	April 2012 onwards
Customer segmentation and information sharing	<p>Scottish Enterprise, Highlands and Islands Enterprise, Scotland Food and Drink, the Scotland Food and Drink Academy, Skills Development Scotland, Trade Associations and the Sector Skills Councils will review their respective company contact lists in order to segment and identify a target list of c500 companies in the sector which may have good growth potential but are not serviced by any one of the agencies. These companies will be targeted by the Scotland Food and Drink Skills Academy and offered a package of support including:</p> <ul style="list-style-type: none"> • Work based Skills/Imp Assessment (SF&DSA) • Leadership Best Practice Visits (SE) • Ambitions to Grow Leadership Programme (SE) • Managing People for Growth (SE) • Food and Drink Fellowship in Leadership and Management (SF&DSA) 	<ul style="list-style-type: none"> • Scotland Food and Drink • Scottish Enterprise • Highlands and Islands Enterprise • Improve • Lantra • Scotland Food and Drink Skills Academy • Trade Associations 	June 2012
Developing supervisory skills	Review the Level 3 Specialist Management Skills pathway within the Modern Apprenticeship framework to address supervisory skills gaps.	<ul style="list-style-type: none"> • Improve 	September 2012

6. Skills Investment Plan – Action Plan (continued)

Table 6: New or additional actions (continued)

Action	Description	Lead partner(s)	Timescale
Simplification of Leadership and Management offer	<p>Research and review existing leadership and management programmes in terms of employer feedback, endorsement, delivery method and benefits.</p> <p>Promote a range of recommended and accredited programmes that can support the sector. Develop case studies and network of 'graduates'/alumni.</p>	<ul style="list-style-type: none"> Improve Scotland Food and Drink Skills Academy 	December 2012
Land Based Leadership and Management	Develop a professional standards framework to encourage the land based workforce to build its level of professional standards in leadership and management. This will be an online support facility to engage with businesses in the primary sector.	<ul style="list-style-type: none"> Lantra 	June 2013

Supporting the development of skills for growth in the workplace

Areas for action

The Skills Investment Plan identified a number of areas for action in terms of Skills for Growth. These included:

- Promoting the benefits of collaboration.
- Assisting companies with UK market development.
- Growing international exports and increasing the range of companies who export.

- Helping businesses reduce waste and increase sustainability.
- Promoting and supporting workforce development.

What is currently in place?

The supply mapping identified a wide range of existing activity which seeks to support the development of Skills for Growth in the workplace. These are shown on Table 7.

Table 7: Existing activity – Skills for Growth

Promoting collaboration	UK Market development	International exports	Sustainability/ Business Efficiency	Workforce Development
<ul style="list-style-type: none"> Cultivating Collaboration (SAOS and SF&D) 	<ul style="list-style-type: none"> Access to markets (SF&D) 	<ul style="list-style-type: none"> 1:1 support from professional advisers (SDI) 	<ul style="list-style-type: none"> Lean Management (SMAS) Sustainability Specialist (SE) 	<ul style="list-style-type: none"> Managing People for Growth (SE)
<ul style="list-style-type: none"> Co-operative Development Scotland 	<ul style="list-style-type: none"> Supplier development programme (SE) 	<ul style="list-style-type: none"> 1:1 International Strategy Workshops (SDI) 	<ul style="list-style-type: none"> Five-Fold Environmental Ambition Programme (SFDF) 	<ul style="list-style-type: none"> IIP/Scotland Food and Drink Skills Academy
<ul style="list-style-type: none"> Taste of Arran 	<ul style="list-style-type: none"> 1:1 support from market specialists (SE and HIE) 	<ul style="list-style-type: none"> International Preparedness Programme; Export Explorer; Smart Exporter (SDI) 	<ul style="list-style-type: none"> Low Carbon Skills Fund (SDS) 	<ul style="list-style-type: none"> Modern Apprenticeships (SDS) Flexible Training Opportunities (SDS)
<ul style="list-style-type: none"> Food and Drink Forum Network (SE, HIE and SF&D) 	<ul style="list-style-type: none"> UK Sales and Marketing programme (SE) 		<ul style="list-style-type: none"> SF&D Sustainability Pilots (SF&D) 	<ul style="list-style-type: none"> Employer Recruitment Incentive (SDS)
<ul style="list-style-type: none"> Employer Forums (SFDF) Industry Trade Associations 	<ul style="list-style-type: none"> Insight Market Intelligence (SF&D) Suppliers Forum (SFDF) Market and Product Development (SAC) 		<ul style="list-style-type: none"> Whole Farm Business Reviews (Lantra) Food Manufacturing Excellence (Improve) 	<ul style="list-style-type: none"> Local Food Provenance Skills (SDS/ Elmwood College) Individual Learning Accounts (SDS)

For list of abbreviations, please see page 24.

6. Skills Investment Plan – Action Plan (continued)

Table 8: New or additional actions

Action	Description	Lead partner(s)	Timescale
Market opportunity programmes	<p>Scotland Food and Drink will deliver a series of additional market opportunity programmes through their Insight Programme including factsheets and workshops focusing on:</p> <ul style="list-style-type: none"> • Skills to deliver business internationally • Sub sectoral market forecasts and assessments 	<ul style="list-style-type: none"> • Scotland Food and Drink 	June 2012
Integrated support to companies	<p>The Skills Investment Plan process has highlighted that several public agencies engage with companies in the food and drink sector on leadership and skills for growth issues. These different engagement routes are a strength, but there is an opportunity to better co-ordinate the efforts of public agencies and increase levels of engagement across the sector</p> <p>A joint Account Team approach will be implemented working with 10 pilot companies providing an Organisational Development Review/ Strategic Workbased Skills Assessment. It will evaluate the joint process/approach and the impact the project has had on the business participants.</p> <p>Highlight successes or challenges as they arise, and ensure the skills supply meets demands from business.</p> <p>Consider how the pilot and its lessons might influence the roll out of this joint Account Team approach.</p>	<ul style="list-style-type: none"> • Scottish Enterprise • Highlands and Islands Enterprise • Skills Development Scotland • Scotland Food and Drink • Scottish Development International • Quality Meat Scotland • Scotch Whisky Association • Seafish • Scottish Funding Council • Scottish Agricultural College 	April 2012 onwards
Centre of Excellence – Artisan Food Centre	<p>Feasibility study undertaken by Elmwood College and partners to develop Scotland's Artisan Food Centre. A centre of vocational expertise will be developed providing skills and learning provision focused on artisan and small scale or simply produced food producers.</p>	<ul style="list-style-type: none"> • Elmwood College 	June 2012

Table 8: New or additional actions (continued)

Action	Description	Lead partner(s)	Timescale
Regional Skills Delivery	<p>Regional Food and Drink Forums present an opportunity to raise the profile and benefits of collaborative working and skills development.</p> <p>The Scotland Food and Drink Skills Academy and Skills Development Scotland will work with the Forums to pilot a number of Skills events which may lead to the establishment of Regional Training Groups. Skills Development Scotland and the Skills Academy will then work with these groups identifying shared training needs between businesses and as a result achieving economies of scale for delivery. Eligible companies will be able to use Flexible Training Opportunities support from Skills Development Scotland to address skills needs.</p> <p>It is anticipated that this will provide a basis for further collaboration between businesses, particularly in rural or remote areas to develop skills and joint approaches towards marketing, distribution and market development.</p>	<ul style="list-style-type: none"> • Scotland Food and Drink Skills Academy • Skills Development Scotland • Scotland Food and Drink • Scottish Funding Council 	October 2012
Trade Associations: sub sector support	<p>Industry Trade Associations will provide an entry route for the Scotland Food and Drink Skills Academy and Lantra Land Based Business Centre to engage with employers and support their skills needs.</p> <p>This presents an opportunity to develop sub-sectoral skills plans and deliver flexible training.</p>	<ul style="list-style-type: none"> • Scotland Food and Drink Skills Academy • Trade Associations • Lantra Land Based Business Centre 	August 2012
Legislative and Compliance Training offer	<p>Develop a comprehensive package of support to meet the needs of the sector and address legislative and mandatory training requirements. Outline a flexible programme of delivery options.</p>	<ul style="list-style-type: none"> • Scotland's Colleges 	September 2012

Delivering the Action Plan

The delivery of the Action Plan will be overseen by the Scotland Food and Drink Skills Group.

Progress with the Action Plan will be reported on a six monthly basis to the Food and Drink Executive Group, and the Action Plan will be updated on an annual basis.

Appendix 1: List of abbreviations

FE: Further Education
HE: Higher Education
HIE: Highlands and Islands Enterprise
IIP: Investors in People
MIT: Massachusetts Institute of Technology
NLOD: National Learning Opportunities Database
QMS: Quality Meat Scotland
RHET: Royal Highland Education Trust
SAC: Scottish Agricultural College
SAOS: Scottish Agricultural Organisation Society
SDI: Scottish Development International
SDS: Skills Development Scotland
SE: Scottish Enterprise
SFC: Scottish Funding Council
SFDF: Scottish Food and Drink Federation
SF&D: Scotland Food and Drink
SF&DSA: Scotland Food and Drink Skills Academy
SMAS: Scottish Manufacturing Advisory Service

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