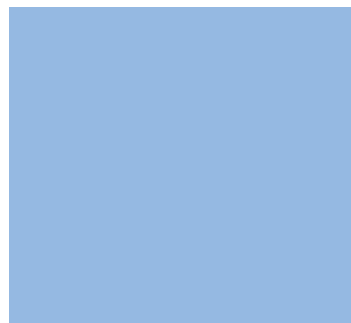
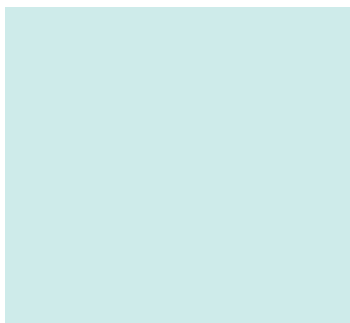
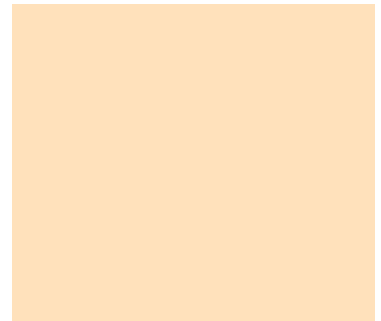


Putting the plan into action

The Sector Skills Agreement for the
Food and Drink Manufacturing Sector



improve

food & drink sector skills council

The Sector Skills Agreement

Who is Improve?

Improve is the Sector Skills Council (SSC) for food and drink manufacturing across the UK.

Improve's vision is to have 'world class skills for a world class sector'. To achieve this, we will work in partnership with employers, skills providers and government to ensure access for all to world class, demand driven skills for the food and drink manufacturing industries.

What is the Sector Skills Agreement?

The Sector Skills Agreement (SSA) has been a central strand of Improve's work over the last two years and is fundamental to the company's strategy going forward. This identifies and outlines solutions to the skills issues in the food and drink manufacturing sector now and in the future.

The SSA is the mechanism through which SSC's will deliver on the Skills for Business Network's (SfBN) four strategic objectives:

- Increasing productivity
- Addressing skills gaps and shortages
- Providing wider opportunities
- Providing more responsive training provision

Delivered in March 2007, the SSA identifies the key skills needs of food and drink manufacturing employers, and assesses the extent to which current training provision meets these needs. The SSA outlines a Sector Skills Action Plan for the industry which addresses the gaps identified.

The SSA has involved five stages:

1. The Skills Needs Assessment
2. Understanding Supply
3. Gap Analysis and Market Testing
4. Action with Employers
5. Action Planning

The Sector Skills Agreement development activity cascades into all areas of activity of Improve Ltd. Similarly, the priority actions identified to address the sector's skills needs as a result of the extensive SSA research and consultation process are integral to the wider activity of the company on a strategic and operational basis (see page 4).



To view all SSA literature visit
www.improveltd.co.uk

Key industry statistics and drivers

The Skills Challenge

Food and drink manufacturing is vital to the UK economy:

- It is the single largest manufacturing sector in the UK, employing approximately 500,000 people, equivalent to 14% of the entire manufacturing workforce.
- There are more than 9,000 businesses in the sector which buy two thirds of all the UK's agricultural produce.
- The industry has a turnover of more than £73 billion per annum or approximately 17% of total manufacturing turnover.
- UK food and drink manufacturing is second in terms of world productivity, behind Canada.

However, the UK faces a major skills challenge if we are to maintain or improve this position:

- In terms of employment, approximately 10,000 jobs are lost each year in the sector, mainly due to automation and off-shoring.
- The UK population has an ageing workforce and a minimum of 56,000 employees are forecast to retire in the next eight years from the sector.
- UK demographic trends highlight that the number of young people entering the workforce each year is falling.
- Employers are facing significant skills deficiencies in areas such as supervisors/managers, technical roles (including food scientists), machine operators and craft skills.
- The food and drink industry retains a negative image as a place of work.

Key drivers in the UK food and drink industry

There are a number of key forces that drive the food and drink manufacturing industry, and therefore reflect and represent the pressure for change. These include:

- **Consumer change** - the changes in intermediate and final demand caused by changing incomes, population, tastes and lifestyles.
- **Changing technology** - the search for and adoption of new products, processes, distribution methods, storage systems etc.
- **Market power** - the changing scope and direction of competition as globalisation and retail concentration occurs. This leads to market developments, including own label versus brands, and internet shopping versus supermarkets or farmers markets.
- **Continuing regulation** - the changes in farming, processing, distribution and new product development are constrained or encouraged by new dictates. For example; health and nutrition, the environment, international trade preferences or new labour regulation.



Priorities and issues

Based on the key findings of stages 1 and 2, and the gap analysis conducted in stage 3, Improve have produced a series of proposed skills solutions, which meet the skills gaps identified in the food and drink manufacturing industry.

These solutions formed the basis of stages 4 and 5 of the Sector Skills Action Plans for the UK nations and regions. The priorities and issues are discussed in further detail below.

Proposals for Action

1. Careers Development

The Issue:

There are a number of skills shortages in a variety of job roles within the food and drink manufacturing sector. For example:

- Food scientists and technologists with the required skill sets to drive innovation in the sector are in short supply. The demand for these roles is increasing and their skills are needed in a wide range of job functions from quality assurance through to new product development.
- Engineers with the required skill sets are in short supply. These skills are vital to be able to harness and take advantage of new technology innovation and to implement and maintain these technologies effectively.
- Language, communication and basic skills have been highlighted as an issue and barrier to entry and progression for both non-UK nationals (migrant workers) and UK nationals.

The Solution:

Programmes designed to address skills shortages from a number of disciplines, for entry into, and progression within the food and drink manufacturing sector. For example;

- developing graduate conversion training schemes with industry employers.
- attracting more science graduates into the sector.
- producing more accessible and relevant learning programmes to meet the skills needs of the industry.
- expanding media efforts to promote the careers opportunities and progression routes within the sector.

2. Promoting Productivity

The Issue:

Global sourcing of raw materials, tighter requirements for waste management and the need to control energy use and carbon emissions mean a more complex environment for food and drink manufacturing and the decision makers working within it. Skills deficiencies are reported in management functions and employment projections indicate a high demand for more senior managers and professionals in the future. Lean manufacturing has to become a reality for the sector to maintain competitive advantage and increase productivity therefore it is vital that skills in this area are developed.

The Solution:

A programme to enable the effective adoption of continuous improvement and lean manufacture skills that are right for the company. The programme will establish a 'gold standard' for companies seeking to implement lean manufacturing into the business processes. It draws on existing employer best practice and experiences of exemplars in the sector from agencies and bodies specialising in the sustainability agenda such as the Carbon Trust, Envirowise and similar regionally based initiatives.

3. Pick and Mix

The Issue:

Food and drink manufacturing employers are divided in their views on whether current qualifications are fit for purpose and they are indifferent as to whether training leads to a qualification or not. While some are happy with existing qualifications, others prefer to purchase bespoke training targeted at the needs of the company. N/SVQ's are generally viewed as too broad and generic. Employers are therefore reluctant to release staff to study modules that are not directly relevant to the company.

The Solution:

A strategy to help employers recognise past and future achievement of Employees. The new N/SVQ framework modularises achievement and uses of units to build a qualification which is tailored to meet the skills needs of the individual and the employers.

This solution builds upon the work currently being undertaken by Improve through its Sector Qualifications Strategy (SQS) which will ensure a consistent standard of learning between competency based and vocational qualifications. The solution will reduce repetition and duplication of training across N/SVQ's, VLQ's, Apprenticeships and other qualifications bringing employers greater efficiencies.

Priorities and issues

4. Training

The Issue:

There is a lot of on-the-job and non accredited training present in the food and drink manufacturing sector. This training is often without a structured approach or ability to measure the benefits. This means employers are unaware of its quality or effectiveness and find it difficult to link to the overall business strategy.

The Solution:

An approach which supports and encourages structured training and development in the workplace. This will enable employers to measure the effectiveness of training provision, ensuring that skills development is fit for purpose e.g. implementation of records of achievement, appraisals and training plans linked to overall business strategy. Programmes will include; promotion of training for in-house trainers (including migrant workers) to gain qualifications; key workers to achieve Assessor Awards.

The scheme will ensure that employers have greater confidence in the quality of in-house training provision and employees are better motivated.

5. Connecting the Industry

The Issue:

Employers often find it hard to identify relevant learning provision and rely on word of mouth. Those seeking training with a specific food and drink manufacturing emphasis (rather than management or general engineering) are most affected and employers often find they have to pay more or work with private companies to access the required training.

The Solution:

A solution focussed on embedding specialist food and drink manufacturing knowledge and information into existing skills brokerage arrangements to ensure they can fully meet the sectors needs.

The approach will ensure that information on learning providers and training is available on all major databases of learning opportunities. This will involve two main developments; firstly, a learning programme to help generic skills brokers develop a deeper appreciation of the sector and the issues employers face. Secondly, the National Skills Academy will hold a database of all training providers and courses to ensure employers and stakeholders can find the information they need.



6. Sweet Success

The Issue:

Currently most of the training in the sector is driven by legislation and regulatory requirements, with less in areas which will contribute to the productivity of the sector. At the same time, there is a lot of on-the-job and non accredited training taking place. This is reflected in the qualifications profile of the sector, where more than half of the workforce (52%) is not qualified to level 2.

The Solution:

An approach to enhance industry's strategic view of skills as a means of raising productivity and not merely as a minimum legal requirement. It will ensure that skills are seen as THE success factor.

The strategy will involve a well crafted promotional programme emphasising 'bottom-line' benefits to business of skills and learning. This will involve accumulation of evidence refuting common training myths; targeted online tools to help businesses create quality business and training plans.

Priorities and issues

7. A future in food

The Issue:

The food and drink manufacturing sector is not one that is regarded particularly highly as a career path. It is difficult to attract motivated and talented people into the industry, whether they are skilled crafts people or managers and professionals. There is also a low awareness of career opportunities available in the sector.

The Solution:

A programme to promote career opportunities, entry and progression routes to potential and existing employees. This will be achieved by demonstrating the value of a career in the sector and ensure that skills deficiencies are met. Elements of this include; high quality work experience placements; teacher placements; career events and sponsorship; production of high quality case study and promotional material, media and PR engagement.

8. Learning Together

The Issue:

Food and drink manufacturing employers face problems finding the time and space to train their staff. In an industry where margins are tight, releasing staff to undertake training is often an overhead expense too far. This is particularly the case for smaller employers who are less likely to have the facilities on site and the flexibility in the workforce to train.

The Solution:

This approach will promote regional and sub-regional collaboration on skills issues amongst small and medium enterprises (SMEs). This solution aims to make better use of existing, or developing new groups of employers willing to collaborate on workforce development and training. Together these groups can overcome barriers to training and problems relating to lack of space for learning through economies of scale. For example, by sharing facilities and exploring the potential for e-learning facilities.



What happens next

Improve would like to thank all employers, stakeholders and industry partners who have engaged with the SSA development and consultation process and we hope that you will continue to support this work.

Over the next year, Improve will be working closely with employers, stakeholders and key industry partners to implement individual or joint actions, in a strive to improve competitiveness and productivity across the sector by addressing skills gaps.

For further information on the Sector Skills Agreement, including all the latest news visit www.improvetd.co.uk

**To pledge your support contact Improve on
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