

Rural and Food Economy
West of England Local Sector
Skills Statement 2017



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

Rural and Food Economy

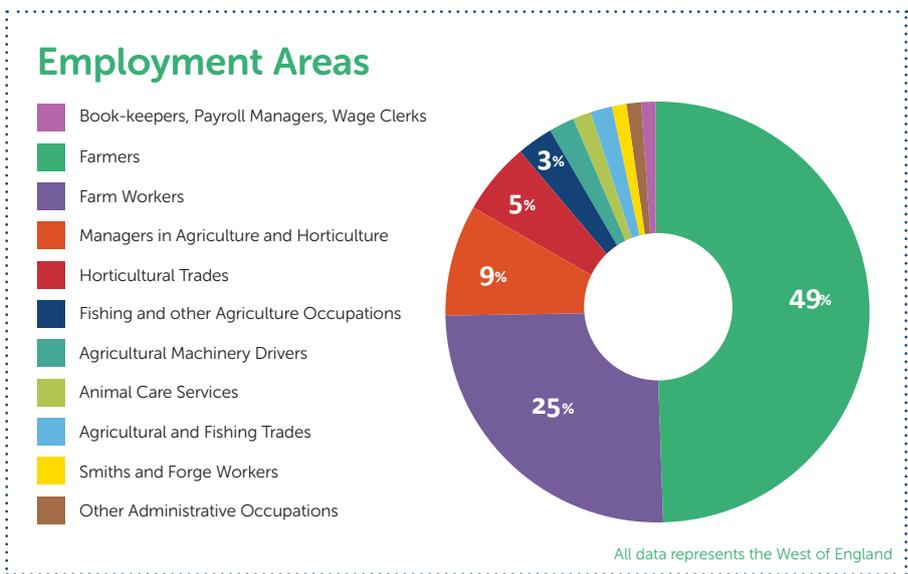
Local Sector Overview

The Rural and Food Economy in the West of England is a significant and growing sector supporting 53,000 jobs and representing 11% of those employed across the region. Rural areas across the region are home to a number of diverse businesses with agriculture at their hearts - producing high quality and much sought-after food and drink.

The food and drink manufacturing industry is the UK's largest manufacturing sector contributing £28.2 million to the economy annually and employing 400,000 people⁽²⁾. The UK has 6,800 food and drink manufacturers that sit at the heart of a food supply chain worth £110bn to the economy. The West of England is home to an impressive number of these nationally and globally recognised brands such as Yeo Valley, Thatchers Cider and Lye Cross.

A 2011 Centre for Rural Economy report pointed out that rural areas of England have more businesses and more start-ups per head of population than urban areas (excluding London), display higher levels of self-employment and entrepreneurial activity and have higher growth rates in knowledge-intensive businesses, including business and financial services. Rural areas across the West of England are home to a growing number of start-up and small businesses with 10,000 people self-employed, 7,000 working from home and 7,500 VAT registered businesses.⁽¹⁾

Recently rural economies in the UK have seen an increase in new businesses in the areas of web design, electronic publishing, design and marketing, this trend is becoming evident in the West of England with businesses taking advantage of lower rents, larger space, lower levels of congestion and pleasant working environments.



Despite this growth and diversity, the rural areas of the West of England face several challenges. Infrastructure, both in terms of digital communications and the availability of public services, remains a barrier to productivity and further growth.

Rural areas across the region suffer from the out-migration of young people (age 16 -29) away from rural areas alongside counter-urbanisation, which tends to involve both older people and families with young children moving into rural areas resulting in an ageing workforce. High costs of housing, poor transport links and the perception of a

lack of rural career opportunities only exacerbates this challenge resulting in a rural-to-urban brain-drain.

The food and drink manufacturing sector faces specific technical and scientific skills gaps and experiences difficulties in recruiting for food engineers and scientists. Specific skills gaps exist in key areas of engineering, technical, innovation, leadership and customer management. It is only by being able to recruit a highly skilled workforce to fill these gaps that the sector will see continued innovation and growth.

Annual Local Sector Skills Statements report on local sector knowledge and expertise, plus wider regional and national intelligence. Gain insight about skills challenges in your sector, notable achievements and skills priorities and objectives for 2017. The themes have been defined by the West of England Local Enterprise Partnership (LEP). This report has been designed for education providers and businesses to inform decisions and identify objectives for investment in training and development of curriculums.

Key Facts

THERE ARE **3,127** PEOPLE EMPLOYED IN THE RURAL AND FOOD ECONOMY ACROSS THE WEST OF ENGLAND⁽¹²⁾.



FOOD AND DRINK MANUFACTURING **PRODUCTIVITY GREW BY 11% OVER THE LAST 5 YEARS** COMPARED TO 0.5% FOR THE WHOLE ECONOMY.



THE AVERAGE SALARY IN THE FOOD AND DRINK SECTOR IS **RISING FASTER** THAN ANY OTHER MAJOR MANUFACTURING SECTOR.



THE FOOD AND DRINK SECTOR HAS SEEN A SIGNIFICANT RISE IN R&D FUNDING IN RECENT YEARS AND AN INCREASING DEMAND FOR QUALITY BRITISH PRODUCE HAS RESULTED IN **CONTINUOUS GROWTH IN EXPORTS**.

EMPLOYMENT OF WOMEN IN FOOD AND DRINK HAS INCREASED BY AROUND 6,000 A YEAR FOR THE LAST FIVE YEARS⁽⁶⁾.



130,000 JOBS WILL NEED FILLING BETWEEN 2014 AND 2024 TO FEED AN EXPECTED POPULATION OF 70M⁽⁵⁾.



THE WEST OF ENGLAND IS HOME TO A GROWING NUMBER OF START-UP AND SMALL BUSINESSES WITH 10,000 PEOPLE SELF-EMPLOYED, 7,000 WORKING FROM HOME AND 7,500 VAT REGISTERED BUSINESSES⁽¹¹⁾.

Notable Local Sector Achievements



North Somerset has been selected by DEFRA as a Food Enterprise Zone with the aim of improving the food chain across the south west linking farmers and producers to bring increased sustainability, attract new business to the area, create jobs and increase economic activity.



Funding has been secured to build a food and drink innovation centre - FoodWorks SW – in the heart of North Somerset's Food Enterprise Zone. This will provide the region with a centre of excellence for food and drink industries creating a hub to bring together expertise ranging from bio-technology to engineering and chemistry to design, striving to excel in food research, production, manufacturing and resource efficiency.



Following a successful bid to DEFRA in 2014, the **West of England Rural Network** has established a Local Action Group (LAG) to manage a LEADER programme for the West of England between 2015 – 2020 to deliver the approved Local Development Strategy. This allocates grants from £10,000 - £100,000 to support six priorities to:

- support micro and small businesses and farm diversification
- boost rural tourism
- increase farm productivity
- increase forestry productivity
- provide rural services
- provide cultural and heritage activities

Skills Priorities 2017



1. Improve Careers Education Information Advice and Guidance (CEIAG)

Issue:

The diversity that a career in the rural and food economy can bring is often misunderstood. Opportunities extend beyond farming. Young people living in rural communities should be encouraged against out-migration to urban areas in order to access opportunities. Business engagement in schools can greatly enhance this understanding. However, the remote location and capacity of rural businesses often creates barriers to engaging with education. In addition, there remains confusion regarding how to engage with schools with activity often being sporadic.

The food and drink manufacturing sector has specific technical and scientific skills gaps, and is in competition with other sectors for STEM graduates.

Objectives:

- Showcase academic and vocational career pathways into and within the food and drink manufacturing sector through Pathways to Professions events.
- Engage with education at an early age to showcase the diverse opportunities available within the rural and food economy.
- Develop a strategic and targeted approach to schools engagement through the Careers Enterprise Company.
- Create a group of food and drink careers ambassadors to work with schools on a consistent basis.
- Promote the importance of STEM subjects to all and show clear links to jobs within the rural and food economy.
- Encourage more STEM graduates into the industry.
- Explore alternative forms of employer engagement (virtual work placements, e-mentoring).



2. Improve the quality and local responsiveness of education and training

Issue:

There continues to be a lack of provision of food and drink manufacturing courses across the West of England. Many businesses are having to source training from outside of the region and in some cases outside of the UK. To enable businesses to make best use of investment in their workforce, more industry relevant regional training provision is required through collaboration with higher and further education.

Objectives:

- Employers, supported by FoodWorks SW, must collaborate with the region's further and higher education providers, along with independent training providers, to develop high quality industry-relevant food and drink manufacturing provision in the West of England.



3. Increase apprenticeship starts and availability of higher apprenticeships

Issue:

Apprenticeships are not new to the food and drink manufacturing sector and those that already exist are typically higher apprenticeships. However, apprentices make up less than 1% of the workforce⁽⁵⁾. The UK government has committed to creating 3 million apprenticeships by 2020, DEFRA has committed to trebling agriculture and food manufacturing apprenticeships and the Food and Drink Federation (FDF) aim to see apprentices representing 3% of the total food and drink manufacturing workforce. Many rural businesses are still uncertain of the benefits that recent apprenticeship reforms can bring to their business.

Objectives:

- Help the rural and food economy across the West of England to take advantage of the new apprenticeship reforms and promote apprenticeship career pathways to both new entrants and the existing workforce⁽⁵⁾.
- Employers should work alongside further and higher education to develop more higher and degree level apprenticeships in the sector to encourage progression and support retention of the workforce.

Skills Priorities 2017

4. Engage SMEs to boost productivity and build capacity for growth



Issue:

The West of England's rural economy is home to many small and micro businesses, with many opting to set up businesses in rural areas to benefit from lower rents, larger office space, lower levels of congestion and pleasant working environments. However rural businesses face challenges that come from their location and not having the opportunity of economies of scale that urban businesses may have. Rural businesses must be supported in their growth, innovation and diversification to remain productive and sustainable.

Objectives:

- Support innovation and new product development through FoodWorks SW and funded projects such as LEADER, to enable growth and innovation in rural areas.
- Encourage entrepreneurship from an early age in rural communities and ensure businesses have access to affordable rural start-up office space.
- Encourage more successful and established rural businesses to engage in peer to peer mentoring.

5. Enhance equality and diversity through multiple career pathways



Issue:

The food and farming sector will be one of the most impacted upon by the UK vote to leave the EU. There remains a reliance on migrant workers with the sector employing more than 117,000 EU workers (1/3 of workforce), with a high percentage carrying out vital production, technical and specialist roles⁽²⁾. There is also uncertainty regarding future regulatory requirements and the redistribution of agricultural subsidies and the impact this will have on the industry. The food and drink industry is reliant on investment in R&D and innovation, much of which stems from Europe. The average age of the food technology workforce is 46 years. This is reflected within the wider rural economy with many young people seeing the cities as the only source of opportunity.

Objectives:

- Work together with education to establish talent pipelines.
- Encourage more rural businesses to take advantage of the benefits behind apprenticeships at all levels to future-proof their workforce.

Regional Centres of Excellence and Research

- WERN (West of England Rural Network)
- FoodWorks SW
- National Skills Academy Food and Drink
- Food and Drink Federation (FDF)

Key Providers

- University of the West of England (UWE Bristol)
- Bath Spa University
- University of Bath
- University of Bristol
- City of Bristol College
- Bath College
- South Gloucestershire and Stroud College
- Weston College

Professional Networks and Organisations

- Department for Environment, Food and Rural Affairs (DEFRA)
- National Farmers Union (NFU)
- West of England Rural Network (WERN)
- Food and Drink Federation (FDF)
- Institute of Grocery Distribution (IGD)

Reference Documents

- 1) West of England LEP – Rural and Food Economy Sector Group.
- 2) FDF Manifesto, 2017
- 3) Matthew Taylor Review on Rural Economy and Affordable Housing, 2008
- 4) NESTA Rural Opportunities - A study of work-related learning opportunities in the rural economy for young people aged 14-19 (by Heather Rolfe, National Institute of Economic and Social Research)
- 5) Unlocking Talent – Food and Drink Federation (FDF)
- 6) National Skills Academy Food & Drink – Tasty Careers UK, Food and Drink Industry Statistics
- 7) West of England Rural Network
- 8) West of England Employers Skills Survey, 2016
- 9) West of England Local Development Strategy, 2014-2020
- 10) West of England Strategic Economic Plan, 2015-2030
- 11) West of England Local Enterprise Partnership, Strategic Economic Plan - Sector Prospectus

Employment Areas Chart – NGaged Training / LMI Statement 2017 based on Labour Insights, May 2016 - May 2017 & EMSI

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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.