

# The Scottish Meat Industry: Addressing Skills Needs

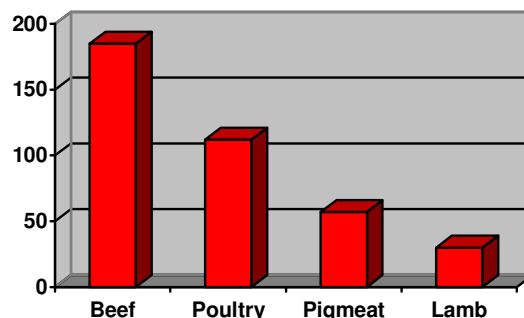
## 1. Introduction

*Skill for Scotland: A Lifelong Learning Skills Strategy for Scotland* was published by the Scottish Government in September 2007 to articulate the vision of a smarter Scotland and provide a framework for Government to work with all partners to deliver that vision. **A key proposal was to 'understand current and projected demands for skills to help prepare for future skills needs': this document articulates the skills requirements for the Scottish meat industry.**

## 2. The Scottish Meat Industry

Farming and processing of red meat in Scotland generated a turnover of £1.78 billion in 2006, constituting 0.9% of total GDP. This excludes both support payments and value added by ancillary industries. More than two-thirds of these sales are exports to the rest of the UK or further afield.

**Figure 1: Volume of Meat Sold by Scottish Industry ('000 tonnes)**



Around 10,500 people are directly employed in meat processing and retail butchery by just fewer than 1,000 companies, the vast majority of which are Small and Medium Sized Enterprises (SME's). The number of employees is increasing year on year, as companies get more involved in added value processing. The average age of the workforce is 44, largely made up of those aged between 25-49 and with only 13% of firms having more than half of their workforce made up of 16-24 year olds. Half of all businesses that employ skilled butchers report concerns about an ageing workforce, a problem that is regularly compounded by the difficulties in recruiting trainees.

The Scottish industry has a global reputation for top quality products, recognised by the prestigious Protected Geographical Indications that have been awarded to both Scotch Beef and Scotch Lamb. This provides direct economic benefits, with a premium of up to 10% on Scotch Beef compared to non-Scotch.

### **3. Skills Challenges**

#### **3.1 Lack of skilled workers**

The majority of the sector's workforce (59%) has below level 2 qualifications, with 16% having no qualifications at all. Reference is repeatedly made by firms to staff lacking proficiency in process and machine operating skills, rather than a lack of literacy, numeracy or IT skills. More than half of firms in the sector feel that they have lost business orders to competitors as a result of skills shortages, alongside difficulties introducing technological change or altering working practices. More than any other factor, lack of skilled workers will restrict the meat industry's ability to contribute to raising Scotland's productivity to the top quartile amongst our OECD trading partners.

#### **3.2 Limited provision of technical qualifications**

Nearly one-third of companies in the sector expect a shortage of technical staff to present a direct problem for them in the next 2 years. However, the reason why there are so few courses in food technology offered is because there is a lack of demand from prospective students. This will not change until more school leavers recognise the opportunities offered by both the meat and the wider food and drink industry.

#### **3.3 Limited uptake of supervisory training**

Most employers consider it inappropriate to put 17 year olds through supervisory training until they have first demonstrated their potential within the company, so the target age for the Level 3 SVQs is older than the funding currently allows for. This means that very little training is carried out during that critical period when a skilled operative is put in charge (or preparing to be put in charge) of a team of employees for the first time. The skills required for team management are more generic and are offered by a wide range of providers so the challenge is to encourage more employers to invest in management training.

#### **3.4 No recognition of training delivered by in-house staff**

Competitive pressures within the industry mean that companies can no longer afford to have staff taking entire days or weeks away from their place of work to attend training courses. Further education colleges are only used by 4% of industry, whereas internal provision is used by 72%.

Training delivered within the place of work is only recognised if it is carried out as part of a Scottish Vocational Qualification (SVQ) or Modern Apprenticeships (MA). As a result, most employers simply do not bother with any kind of accredited training in the current situation where funding is very limited for SVQ and MA.

### **3.5 Age limits on funding for training**

Given the relative lack of young people within the industry, the concentration of funding on those between 16 and 19 means that funding is unavailable to support training for the vast majority of those working in the meat sector. Whilst the provision of funding to encourage young entrants to undergo craft skills training is essential, the obligation to include Level 3 VQ in a Modern Apprenticeship before any funding is provided has been a significant obstacle to the uptake of the MA programme. Skillseekers can theoretically provide support for qualifications at Level 2 VQ but funding has been greatly reduced in 2007. One training provider was offered contracts to operate in only 5 LEC areas, despite having a similar level of interest in the excluded LEC areas.

*Skills for Scotland* aspires to promote equal access to training skills, and the concentration of the current age limits on funding are clearly at odds with this aim. Whilst budgets are clearly not limitless, there are cleverer ways that the available funds could be used to deliver the skills that the industry requires than arbitrary age limits.

### **3.6 Language differences**

The use of migrant labour has become commonplace within processing plants, with some plants having more than half of their workforce from Eastern Europe. They have provided a vital supply of enthusiastic labour at a time of recruitment difficulties for the industry but language differences do present some particular challenges where training qualifications and delivery are concerned.

#### **CASE STUDY 1: ANM GROUP LTD**

ANM operate a number of auction markets and meat processing plants around the UK. This farmer-owned agribusiness employs 400 staff in Scotland, none of whom are undergoing Scottish Vocational Qualifications because funding is unavailable outside of the means-tested Individual Learning Accounts. The group also has two processing plants in North Yorkshire, where a total of 86 employees have this year commenced National Vocational Qualifications at levels 1,2 or 3. This training is being 100% funded by the 'Train to Gain' initiative.

## **4. Priorities for Action**

### **4.1 More flexible funding mechanism developed to drive employer led training**

*Skills for Scotland* addresses the shortcomings already identified in the provision of funding for training and the meat industry looks forward to working within the revised structures. Age limits, geographical anomalies and red tape have been particular challenges with the existing systems. The Scottish meat industry looks forward to early dialogue with Skills Development Scotland to assist with the delivery of support to the industry.

### **4.2 Increase uptake of craft skills training leading to Level 2 SVQ**

The shortage of skilled operatives will be addressed by a combination of a more demand led funding system and active encouragement aimed at employers to increase investment in skills training by identifying the benefits derived. The recent announcement that the Modern Apprenticeship programme will be extended to include Level 2 is a welcome step towards this goal.

### **4.3 Promote supervisory and management training to industry**

Meat Training Council already has bespoke Management Development Programmes (Levels 3 & 4). The Red Meat Industry Forum's Fellowship in Manufacturing Management for the Red Meat Industry has a detailed programme aimed at training senior managers, although the time commitment for participants is high. Other modest programmes may offer more potential, such as the Rural Leadership Programme from Scottish Enterprise which saw 60 participants from across the rural community participate in 12 days leadership and management training. There are also many more generic supervisory and management training courses offered by a wide range of providers.

### **4.4 Promote industry to prospective students**

The only way to ensure a sustainable supply of food technology graduates is to create sufficient demand from prospective students that will make it worthwhile for Further/ Higher Education institutions to invest in running the courses. There is a need for activity targeted at school leavers highlighting the exciting career paths on offer within the food and drink industry in order to get them interested in studying food technology.

A partnership of universities and colleges (*Education Food & Drink*) who currently provide food science or technology courses have applied to the Scottish Funding Council for money to support work on improving links with all of the food and drink industry, meeting industry needs through the curriculum, improving articulation between courses and institutions and by raising awareness of job opportunities to students. In May 2008 it is hoped to offer an information day to industry, which will include the opportunity to access potential employees.

#### **4.5 Develop a structure for recognition of training delivered by company staff**

Company staff, rather than external providers, deliver most industry training. This activity generally gets no recognition for the company as far as legislative requirements or quality assurance schemes are concerned, or indeed for the employee in terms of demonstrating their skills to other employers.

Pig producers and LANTRA have just completed a pilot trial of a system of recognition for training delivered 'on the job'. Despite initial scepticism, this has had a demonstrable effect in motivating farm staff and has proved straightforward to deliver. Improve and the industry should explore the possibilities for developing a similar system within the Scottish Credit & Qualifications Framework.

#### **4.6 Investigate the potential for a Scottish Centre of Excellence for the meat industry**

Improve have already established a Skills Academy for the food and drink industry, a central part of which is the establishment of an Academy Centre for meat and poultry. The Skills Academy will develop and coordinate best practice in meat and poultry training across the UK, operated by a company called Poultec in East Anglia.

It is important that a Scottish site is identified to operate as a Member of the Network of Training Providers that can deliver quality off-site training within practical distance of employees' place of work. The University of Abertay Dundee (UAD), supported by *Education Food & Drink*, has proposed to Improve that it could be the Skills Academy Gateway in Scotland. This would allow employers a one-stop-shop for accessing all of the public and private training and learning support available but strategic support from Scottish Government may be required to turn the aspiration into a reality.

#### **CASE STUDY 2: SCOTTISH MEAT TRAINING**

Scottish Meat Training, a provider working with retail butchers across Scotland, have been using the European Social Fund (ESF) for the past five years to access funding for trainees who fall outwith either age or geographical restrictions for local enterprise funding.

Their latest proposal for ESF has been rejected on the grounds that funding for food projects should now be provided by the Scottish Rural Development Plan (SRDP). Unfortunately, it now appears that secondary food processors such as retail butchers are ineligible for SRDP funding too, leaving this vital part of the supply chain excluded from both systems of European funding. Failure to identify alternative sources will lead to the suspension of training programmes for over 100 trainees already enrolled.

## 5. Conclusion

*Skills for Scotland* offers a unique opportunity to shift the balance of training provision from a supply led system channelled through training institutions to a demand led system where employers can access high quality training that is relevant to the growth of their business, whether that be delivered in-house or externally.

The majority of employees within the industry have qualifications below level 2. This reflects the fact that company staff currently deliver the vast majority of training within the industry, but there is no mechanism for officially recognising this. Furthermore, funding for training is overwhelmingly concentrated upon the under-20's, which is clearly at odds with the average industry age of 44.

Further and Higher Education institutions have a vital role to play within this proposed framework, particularly in relation to the provision of advanced technical and management skills. There is also clear potential for the establishment of a Scottish Centre of Excellence for Meat Training along the lines of the model proposed by UAD. For certain skill sets, however, there is a clear preference within the industry for training to be delivered at the place of work and it is important that the funding system is flexible enough to support this.

The Scottish meat industry is committed to working with the Scottish Government to deliver our part of the Lifelong Learning Skills Strategy and this Development Plan outlines the roles and responsibilities of the different organisations in that delivery.

### **CASE STUDY 3: CROMBIES OF EDINBURGH AND PORTOBELLO HIGH SCHOOL**

The Schools Food & Drink Challenge is run by Scottish Food and Drink and is designed to provide a realistic enterprise in education experience by developing links between schools and the food industry.

A recent collaboration between Portobello High School and Crombies of Edinburgh, a leading retail butcher, led to the creation of a new type of sausage – the 'Sweet Chilli Dragon Sausage'. Crombies were so pleased with the new healthy eating product that they entered it in the prestigious UK Smithfield Awards where it won a Gold Award!

**Quality Meat Scotland**  
**Improve**  
**Scottish Association of Meat Wholesalers**  
**Scottish Federation of Meat Traders Associations**  
**Meat Training Council Scotland**  
**British Poultry Council**