

TRAINING & DEVELOPMENT REPORT:

We currently have a total of 185 trainees funded through Skills Development Scotland.

66 trainees have achieved their Modern Apprenticeship since 1 April 2012.

SKILLS DEVELOPMENT SCOTLAND CONTRACT: The contract for the 2012-2013 contract year gave us a total of 195 trainee places to fill. To date we have inducted 49 new trainees onto the training scheme leaving 136 places to fill. Uptake on training places is very slow – if you know of anyone who would like to be on training please let us know. Scottish Meat Training has places for all age groups and for all staff members – no matter how experienced or inexperienced they are.

Since recruitment is slow at the moment in shops and we contacted the Scottish Training Federation for their assistance in locating any funding incentives available through local authorities. These may be beneficial to employers who are holding off on taking on a trainee due to financial constraints. We now have information on what funding incentives may be available and will circulate this information to members.

Skills Development Scotland has approved transfer of 40 25+ level 2 candidates to 25+ level 3 places. We have had more interest from this age group to undertake the level 3 qualification.

ADOPT AN APPRENTICE: Skills Development Scotland has an incentive available for new employers of trainees who are made redundant. If a new employer agree a contract with the trainee to employ them for at least a year and also to allow them to complete their Modern Apprenticeship then they will be eligible for a £2,000 incentive. We have had three trainees re-employed through this scheme in this contract year at Ceres Butcher, Whitmuir Organics and W F Stark in Buckhaven.

E- PORTFOLIOS: Learning Assistant have been contracted to provide e-portfolios for Scottish Meat Training. The first training day is planned for 17th December 2012 and we hope to be live on the new system by January 2013.

SCOTTISH TRAINING FEDERATION CONFERENCE

CRIEFF HYDRO: TUESDAY 26TH & WEDNESDAY 26TH SEPTEMBER 2012

attended by Douglas Scott

Chairman Stuart Leitch welcomed around 160 delegates claiming that work based learning continued to provide quality training delivery that both the Scottish Government and Skills Development Scotland has invested their faith in.

Facilitator David Cameron said that we need to generate energy and creativity and in a lot of cases employers do not lift their heads to see opportunities and challenges.

Professor Ewart Keep from the Centre of Skills, Knowledge and Organisational Performance was the next speaker. He reminded the audience that youth unemployment started to rise in 2004 before the economy went into recession. Recruitment strategies need considered, there is a lack of openings for young people – if they have no experience they don't get a job but if there is not a job they cannot get experience. Informal methods of recruitment continue to gain popularity i.e. word of mouth – this locked young people out of employment. Youngsters get stuck in low pay jobs, insecure, casual and with no training opportunities.

The Wolf Review revealed that 1/3 of young people in England study for vocational qualifications that have little or no currency in the labour market. In other words they are achieving nothing and the qualification delivery is not good value for money. There is nothing to suggest that the situation in Scotland is any different.

Progression in the workplace tends to be reward for hours devoted but achievements do not make you better off.

Professor Keep concluded:

“Unless and until we start to improve job quality at the bottom end of the labour market and change employers attitudes and behaviour, we will face patchy progression of youth into employment.”

Chair of the Cross Party Skills group at Scottish Government, John Park, MSP gave a keynote speech (without notes). He warned that as apprenticeships moved up the political agenda – 25,000 MAs – things can be oversimplified. Apprenticeships he claimed must be structured and policy needs to be fit for purpose. Interestingly John Park, being a Labour MP, spoke without a script of speech written for him. He demonstrated a clear interest in tackling challenges in Scotland – skill shortages, unemployment and the deep and far reaching need to do something about it.

Damien Yeates, Chief Executive of Skills Development Scotland thanked training providers for helping SDS to achieve their targets. Completion rates for apprenticeships stands at 75%. He stressed that pre 2008 youth employment flatlined and suggested that something systemic was wrong. We have lost the practice of bringing young people into our businesses.

If young people are out of the labour market, where are they going to be when we need them? Five workers for every retiree. Average age of chartered engineers in Scotland is 58. Currently there appears to be no long term recruitment strategies and not enough investment for the future. He made a plea for every business in Scotland to have a *Youth Policy*. “Do a bit more than you have ever done before.”

Three out of four school leavers now go on to further education. SDS is trying to radically reform career advice into Career Management Skills. This will lay emphasis on life skills and become core within the Curriculum for Excellence in the classroom.

A sample of 11-16 year olds identified employers as the genuine source of information on jobs. Damien Yeates felt that employers need to engage more with young people.

Between conference speakers there were “Carousel” sessions lasting ten minutes each. During these 12 organisations explained to the audiences who moved on to their tables just what they did for training providers. Included in these sessions were Investors in People, Scottish Credit Qualifications Framework, Young Scot, City & Guilds, SQA, SCQF, Skills Development Scotland (SDS).

SDS reported that the new starts were up on the same period last year. Peak recruitment would come in the next three months. Employer Recruitment Incentives would be targeted in the future and “unlikely” to return as in 2011 and 2012. SDS told me that if our places were not taken up then they would take them away from us.

SDS stressed that their priorities were 16-19 year olds and level 3 qualifications. They are trying to minimise level 2 qualifications where there is no benefit to employers.

FINANCE COMMITTEE: Douglas Scott reported.

This is the first set of accounts compiled by our new auditors, Finlay & Company. Their auditor Sajid Alimahomed has been very thorough and performed what I would have expected of an auditor. He asked lots of questions, came and raked through our invoices and files and came up with a set of accounts that we can have some faith in.

There were still some skeletons left behind in the cupboard by Morris and Young but the issues have all been resolved and going forward things should be much easier to compile and more consistent.

The accounts are in the same format as previous years so if you turn to page 8 you will see Operating Income and Expense for both Member Services and Training Services. Income from Member Services is down by £15,385, almost entirely due to there being no trade fair in these accounts. If we remove the income from trade fair from the equation income is down by £468 (less than half a percentage point). Operating expenses are down for the same reason and compensating for the 2011 trade fair costs, these year on year expenses are up by £5372. This can be attributed directly to the cost of Regional Meetings now being met by Member Services (in the absence of ESF grants in Lowland and Upland Scotland). On page 15 you will note at the very top, cost of Regional Meetings £5481. On page 14 opposite, operating deficit is £5817 but when investment income is taken into consideration that deficit is reduced to £1035.

On Scottish Meat Training side operating income is down by £26,820 due to reduced funds from ESF grants. In this financial year we received just £61000 as opposed to £132000 in the previous accounting year. Thankfully we have reduced costs on training side from £443770 to £367811 a saving of almost £76000. This means that there is an operating surplus for Scottish Meat Training reported on page 17 (first one) of £21713.

Back to page 8 and those operating surpluses and deficits translate into a result of £20678 surplus in contrast to deficit this time last year of £22457. Quite a turn around.

Looking into Member services a bit more deeply; on page 14 the income from subscriptions is down by £1500. Handbook advertising up by almost £1000, Sundry income is down because the previous year we received an introductory commission from Peninsula for the NFMFT and the Scottish Bakers. Corporate membership income is slightly up which helps the cause. Newsletter income shows a good increase in income – a sum of almost £2000. There is income from golf because there was a SFMTA competition this year but there is a golf expense on the opposite page for £869 to offset against this.

Sale of merchandise has been at a lower level in this period. A profit of £553 was made as opposed to a £213 deficit the previous year. As stated earlier no Trade Fair income in year to 31st August 2012.

On the expenses side Regional Meetings for Lowlands and Uplands Scotland now appear here. Competition expenses are higher due to additional cost of photographs and cash prizes. Salaries and Wages are down but when compared to the figure in the 2010 accounts just under £1000 up. You may recall me saying last year that this figure was 25% up but no one got an increase. This discrepancy was one of the reasons we left Morris and Young.

Presidents outlays are higher because our President lives on an island. Postage increase reflects bigger Newsletters and more mail. To some extent this is covered by the increase in Newsletter income. The increase in Stationery and printing is for the same reasons.

Our promotions spend is £3000 higher mainly due to more posters and more certificates. Other expenses are pretty similar to previous years. So that totals £122254 and when put against income of £116,437 and investment income of £4770, the outcome is a £1035 loss on Member services.

Training for once is a better story. Income from Skills Development Scotland is up by £46000 (more than 18%). This reflects much more productive assessors. When the Employer Recruitment Incentive was announced in December last year we decided to charge 10% to employers. This followed the previous year where the incentive ended up costing SMT a lot of money as employers took on trainees, we registered and visited them and then the employer denied us access or just didn't progress the trainees. In the previous accounting year, one member cost SMT over £3000 in registrations alone and virtually nothing was achieved.

There has been no demand for Intermediate Hygiene and Intermediate HACCP courses so the income and expenses for these are drastically reduced. As I mentioned earlier ESF grant income

ceased in Lowlands and Uplands Scotland in March 2012 so that income is £61000 lower and the Highlands and Islands grant income lower as well. Private training shows a good increase – this was training at Falkirk Council.

Under operating expenses Course expenses are down as I have just stated and cost of Skills Workshops down too since 2011 was an extremely active year for these and also because Regional Meetings outside the Highlands and Islands are now in the Member Services accounts. SVQ registrations show an increase due to Employer Recruitment Incentives but the 2010 figure was actually £31030.

Under overheads Salaries and NI show a £34000 drop but then our Training Manager left at the end of March and we offloaded an assessor last December. Other costs are very similar to before and there has only been one bad debt written off.

So when all that is added up operating costs are duly £75959 less and a surplus from training of £21713. When the two sides are taken together this means overall a surplus on the year of £20678.

MEMBERSHIP AND DEVELOPMENT REPORT: Bruce McCall reported.

Subscriptions 322 members have joined this year with 99 additional branches.

Robert MacIntyre, Rosneath payment now received for his part year renewal.

Corporate Members 26 have paid. TPS have now paid.

VENISON DEMONSTRATIONS

The second demonstration took place at Thistle Hotel, Dyce. Peter Fraser of Invercauld Estate at Aberdeen gave a very informative talk followed by a demonstration boning and preparing red and roe deer by Bruce Brymer. 28 people in total were in attendance.

REGIONAL MEETINGS: The regional meetings took place in the first week of October with
42 at Swallow Hotel, Bellahouston
14 at Waterside Hotel, Inverness
51 at Lovat Hotel, Perth
20 at Carfraemill Hotel, Scottish Borders

Viv Harvey presented a range of added value ideas for the retail butchery market entitled RAPS' Counter Revolution 2012. Corporate members McDonnells (Queen Street) Ltd presented their range of Dick knives and KRH gave a talk on the latest scale they have available through Avery Berkel.

AGM: The AGM will take place on Sunday 25th October at the Park Hotel, Kilmarnock where Ian Faulds will be installed as the new President. Michael Beaumont, President of the National Federation will attend and the guest speaker will be Nigel Millar, President, National Farmers Union Scotland. It is proposed that the day will follow the same format as in 2011.

REGIONAL MEETINGS: We are already thinking ahead to next year and propose round the table discussions in February and March in Selkirk, Ayr, North Queensferry, Stepps, Oban, Castle Douglas, Inverness and Oldmeldrum. Only one Regional Meeting in the first half of the year because 2013 is a Trade Fair year and two more in five locations in early September and late October.

Northern Isles would be included as before with one meeting in each of Orkney and Shetland to be arranged.

LIVESTOCK REPORT: Bruce McCall reported.

Mr Chairman, gentlemen,

My last report was in June this year, and since then prices have only varied slightly. Live prices for top quality cattle and sheep remain very firm because of shortage of supply, and increased feed prices for pigs are causing the European price of pork and bacon to move ahead. The attached spreadsheet shows only a very small variation in the price of wholesale beef over the period- this is concerning as prices remain very high despite depressed consumer demand, suggesting an ongoing chronic shortage of quality cattle. There is some leeway for haggling over the price of prime cuts, however.

My main worries this month concern the launch of Scotbeef Inverurie and the ongoing saga of St Andrews Abattoir. As of yesterday, Mathers, Scottish Premier and Scotbeef are forming a new company (Scotbeef Inverurie) under the ownership of Scotbeef, allegedly shedding around 70 jobs from a total workforce of about 230.

This will mean that Scotbeef will control a massive share of the Scottish wholesale market, and it remains to be seen what effect this will have on the price paid to farmers and on the wholesale price charged to ourselves. I am also concerned as to whether, in the long term, Scotbeef Inverurie will continue to supply to the independent trade- remember Mitchells of Letham!

For years now I have been imploring butchers to buy live at market, and I do so again to maintain the independence of our supply, else I feel we will end up with little choice, poorer quality and no influence over price- who are Scotbeef going to offer their best quality and prices to?

St Andrews Abattoir also looms large. As yet we have no firm indication of how shareholders will vote regarding the sale, so we must move forward without this.

Assuming St Andrews does eventually close, I feel the best place for a replacement is north of the Tay, for obvious reasons. To this end, Douglas has suggested a meeting with all parties interested in this project so we may put forward a group proposal for funding. This proposal must be in place before 25th January 2013, so can we organise a date now?

This concludes my report, but I feel there is much to discuss. Two parties are interesting in attending the abattoir meeting Ewart Fairlie a wholesaler and auctioneers, Lawrie & Symington. Douglas said that we all know that St Andrews abattoir will be sold at some point and we will be left without an abattoir in the east coast with Dunblane being the nearest. We are right that we should look at another one in this situation since it will not take trade away from anywhere else. There has been a feasibility study by the Scottish Government for the Fife Food Network. This is being put together by a consultant Alan Craig. He has been in touch to get the list of butchers in Fife Tayside and Edinburgh. Our view is that the main users are from north of the Tay and they are also sourcing from north of the Tay, on that basis it does not look very clever to base it at Glenrothes. Lawrie & Symington have the market at Forfar so it would seem sensible to locate there. Having spoken to Ian Stark at Lawrie & Symington Douglas had looked at what could be done in terms of grants. Ian Moir is a consultant in Fraserburgh and he said that the Scottish Government would want some sort of feasibility study because they are nervous of the failures at Linlithgow, Wick and Islay. They would want a reasoned argument why we should build a new abattoir. We would have a very good argument with raw materials sourced local, reduced food miles and viability of the whole thing would be important. He suggested we should then speak to Vicki Dunlop who is in charge of the grants. She was very frank; the deadline was 25th January with it being signed by March 2014. The assessment would be done in February and we would find out in March 2013 if we had the funds to go ahead. She also suggested we speak to Martin Morgan at the Scottish Government. Martin has agreed to meet him any time we want to and Douglas will try to see him this week if possible.

John Chapman said the most important thing is we can get an abattoir can we make it pay. The abattoir is currently doing 70 cattle, 150 sheep and 100 pigs. We can make this pay if it is a small economical building and John felt he can make that pay by doing the costing properly. It needs to be built much nearer main roads. The main reason for this is the people lifting the bi-products.

Douglas agreed to call a meeting with interested parties as soon as possible.

PROMOTIONS REPORT: Duncan Mackenzie reported.

SLICED SAUSAGE CHAMPIONSHIP: This year's winners were announced at the Regional Meetings held in the first week in October and the overall winner, the South West Scotland champions, Hendries the Butchers in Girvan were presented with their trophy and title by the competition sponsors McAusland Crawford. An agency photographer who would try and sell the story with the pictures to the newspapers only seems to have been successful with the Daily Record and Evening Times.

For the record the Regional Champions were: _

North of Scotland – Cairngorm Butchers, Grantown upon Spey.

East of Scotland – Robert Bauld, Cowdenbeath

South East Scotland – Robert Pringle, Hawick

West of Scotland – John Marshall & Son, Johnstone.

TRICK OR TREAT AWARDS: The photoshoot for the award winning products that were promoted to through members for Halloween and Bonfire night was held at Abertay University the day following our last Executive meeting. The photos were styled by Maxine Clark and shot by Eddie Phillips – the team of two that also produced the photos earlier in the year for our Speciality Sausage and Speciality Burger promotions. The winning recipes were sent out to all members along with the posters in A2 and A3 sizes. We would appreciate feedback from members.

SCOTCH PIE CLUB AWARDS: Alan Stuart has relinquished control over the Scotch Pie Club. The contest will now be run by the Scottish Bakers in partnership with SFMTA. Douglas and Bruce have been involved in numerous meetings with the Bakers to ensure a smooth handover and to consider all eventualities.

We have agreed to the Scottish Bakers proposal that only members of recognised trade associations can be eligible to enter with the exception of last year's winner, a non member butcher in Dumfries shire being allowed to defend his title. Entries close on 19th November.

CHRISTMAS POSTERS: After examining stocks we have decided that at the very least we will do a reprint but we have also asked Kellys Turkeys and QMS if they might have photographs that we might use.

BURNS NIGHT: We will use up existing stocks which are really printers overruns so that will reduce costs and we need only pay for post and postal tubes.

VALENTINES DAY: Since these are sent out with the Burns Night material we need to originate and print by early December. It would be preferable that these are new; given the Burns Night posters are the same again. Ian Faulds said the Valentines day posters were quite effective.

LEGISLATION REPORT:

The Food Standards Agency visited us on Monday 15th October to give SFMTA a first look at Butchers Safe which is a HACCP system for butchers similar to Retail Safe and Cook Safe. It is user friendly with good advice in it and it should be very useful to members. It is still in draft mode at present and SFMTA will be asked to comment on the final draft. The good thing is the Scottish version would be picked up by the rest of the UK.

QUALITY MEAT SCOTLAND:

Douglas Scott said that a year past January he attending a marketing conference by QMS at Dakota, South Queensferry and we found out that QMS had commissioned a survey, why people visited visit butcher shops, why people visited supermarkets and why people switched between the two. The results were very interesting. They have decided to present these and more recent results of shopping trends and then discuss what is important for their business. We will take notes on what people feel is important. Two butchers will present at each meeting what is important for them to get customers in the door these are being held in November at

The Landmark Hotel, Dundee – Monday 5th Nov Speakers Stewart Collins & Jim Royan
Oxenfoord Castle, Midlothian – Monday 12th Nov Speakers Scott Jarron & Tom Courtts
Strathclyde Hilton, Bellshill – Tuesday 13th Speakers John Saunderson & Paul & Katherine Greer
Knockomie Hotel, Forres – Wednesday 14th Nov Speakers Paul Boyle & Johnathan Crombie

The invites are going to the just the business partners and not their members of staff. We are not looking for huge turnouts quality as opposed to quantity.

Andy McGowan felt we could expand this idea a mutual member was quite upset on courses they had been running for farmers. It provoked some internal discussion and it has been some time since QMS had done something on a technical nature for retail butchers. Andy enquired is more that we could be doing for the butchers sector. The Scotch Butchers club is very much a marketing club. He was keen to have any ideas where could do some more technical things.

BOARD APPOINTMENTS: Adverts for board appointments are going out in November he did not know how many places were available. The last retail butcher on there was Jim Royan with George Jarron before that. He did not under estimate the difficulty in getting through the process.

ANY OTHER COMPETENT BUSINESS:

Duncan Mackenzie said he had been given back possession of their local association chain along with a sum of money. John Chapman said that the chain could come to the Federation Office. Douglas said the East Fife chain is in the safe. Ian Faulds said the Ayrshire chain is as well. Arthur Matthew said the Dundee chain is now valued at £78k and the lock for the case broke a replacement case was bought three years ago for £150. The chain is now in possession of the bank and they need to give three days notice to get it out.

Alan Kennedy asked about the Love Your Local Butcher. Douglas said that Dalziel came back with some pledges for money but it is nothing like what we need.

Douglas said the finalists for Butcher Shop of the Year are S Collins and Son, John Lawson and Boghall Butchers.

The Scotch Pie Club Presentations are Wednesday the 9th January, Douglas, Bruce and the President will get an invite this time. It is the intention to move back the meetings to Wednesdays but the 9th January is not suitable. After discussion the 23rd January 2013 was agreed as the next meeting date.

DATE OF NEXT MEETING: Wednesday 23rd January 2013.

The meeting was closed with a vote of thanks to the chair.