The Marches Sector Skills Deep Dive -

Food and Drink

Final Report July 2020

Contents

1. Sector Context

The food and drink sector accounts for 3.8% of the total GVA which equates to a value of £576m in the Marches. With 3.2% of total jobs arising from the food and drink sector, this equates to 9,250 jobs. While 0.6% of all establishments in the Marches are in the food and drink sector which is a total of 205 establishments. The proportion of GVA, jobs and establishments for the Marches is higher than the national base.

The food and drink sector is particularly important in the Marches, and has many links with the agri-tech sector. The local industrial strategy notes that the Marches has all aspects of the food production chain, and this has helped them to gain international reputation for excellence whilst the region leads the way in advancing food production in collaboration with the pioneering research at Harper Adams University. This international reputation provides great opportunities for the sector to thrive going forward, and hence makes it a vital part of the local industrial strategy.

As noted in the Strategic Economic plan, the Marches is home to several large international food and drink organisations such as Avara Foods and Muller. Work with these sorts of businesses to maintain the continuity of food production and stability of prices will be crucial in the upcoming years following Brexit.

The following table displays the GVA, jobs and establishments by the 12 sectors in the Marches.

	GVA (£m)			Jobs			Establishments (Snapshot)		
	2018	**%**	**UK %**	**2018**	**%**	**Eng. %**	**2019**	**%**	**UK %**
Advanced Manufacturing	£2,416m	16.1%	9.7%	32,945	11.4%	8.5%	2,715	7.6%	7.5%
Agri-Tech	£694m	4.6%	1.6%	10,730	3.7%	0.7%	6,270	17.5%	4.9%
Business and Professional Services	£4,367m	29.1%	40.0%	54,320	18.8%	24.7%	9,080	25.4%	35.2%
Construction	£887m	5.9%	6.1%	15,000	5.2%	4.6%	3,595	10.0%	11.1%
Cyber Security and Resilience	£667m	4.4%	5.0%	11,800	4.1%	4.7%	535	1.5%	1.1%
Environmental	£295m	2.0%	2.7%	3,215	1.1%	1.1%	215	0.6%	0.6%
Food & Drink	**£576m**	**3.8%**	**1.6%**	**9,250**	**3.2%**	**1.3%**	**205**	**0.6%**	**0.4%**
Health and Social Care	£1,241m	8.3%	7.8%	40,900	14.1%	12.9%	1,725	4.8%	5.3%
Public Sector Inc. Education	£1,044m	7.0%	6.3%	30,000	10.4%	11.3%	1,670	4.7%	4.4%
Retail	£1,860m	12.4%	10.6%	49,000	16.9%	15.3%	5,705	15.9%	16.3%
Transport and Logistics	£411m	2.7%	4.1%	9,370	3.2%	4.9%	1,100	3.1%	4.0%
Visitor Economy	£553m	3.7%	4.4%	23,100	8.0%	9.9%	2,980	8.3%	9.2%
Total	**£15bn**			**289,630**			**35,795**		

Source: ONS: Regional gross value added, Business Register Employment Survey and UK Business counts, 2019

The following section provides detail on the latest data in food and drink sector and also the breakdown of the industries within this sector.

The latest data for total GVA in the food and drink sector was £576m in 2018. This sector accounts for 3.8% of the total GVA for the Marches which is above the UK average of 1.6% of the total. Compared to 2017, the food and drink sector in the Marches increased by 0.5% (+£3m), which is above the UK average growth of 0.3%[1].

The following table displays the total value of GVA in the Marches.

	The Marches 2017	The Marches 2018	The Marches Change (2017-2018)	The Marches 2018 % of Total	UK 2018 % of Total
Advanced Manufacturing	£2,478m	£2,416m	-£62m	16.1%	9.7%
Agri-Tech	£706m	£694m	-£12m	4.6%	1.6%
Business and Professional Services	£4,169m	£4,367m	£198m	29.1%	40.0%
Construction	£838m	£887m	£49m	5.9%	6.1%
Cyber Security and Resilience	£686m	£667m	-£19m	4.4%	5.0%
Environmental Technologies	£250m	£295m	£45m	2.0%	2.7%
Food & Drink	**£573m**	**£576m**	**£3m**	**3.8%**	**1.6%**
Health and Social Care	£1,118m	£1,241m	£123m	8.3%	7.8%
Public Sector Inc. Education	£1,037m	£1,044m	£7m	7.0%	6.3%
Retail	£1,804m	£1,860m	£56m	12.4%	10.6%
Transport and Logistics	£402m	£411m	£9m	2.7%	4.1%
Visitor Economy	£526m	£553m	£27m	3.7%	4.4%
Total	**£14.6bn**	**£15bn**	**£424m**		

Source: ONS: Regional gross value added, 2019

Based on 2015 EMSI GVA modelled data which allows for greater sectoral breakdown the sector contributed and estimated £307m in total to the UK economy in 2015.

Within the food and drink sector, the processing and preserving of poultry meat, distilling, rectifying and blending of spirits and the operation of dairies and cheese making industries account for nearly 40% of the food and drink sector GVA which equates to over £121m.

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[1] ONS, Regional gross value added (balanced) by industry, 2019

Total GVA by Industry in the Food and Drink Sector

Industry	GVA
Manufacture of soft drinks; production of mineral waters and other bottled waters	£3,521,855
Manufacture of beer	£30,006,255
Manufacture of cider and other fruit wines	£38,947,282
Distilling, rectifying and blending of spirits	£1,580,401
Manufacture of prepared pet foods	£5,746,593
Manufacture of prepared feeds for farm animals	£11,165,423
Manufacture of other food products n.e.c.	£8,675,087
Manufacture of cocoa, chocolate and sugar confectionery	£24,156,756
Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	£2,294,741
Manufacture of bread; manufacture of fresh pastry goods and cakes	£9,670,686
Manufacture of grain mill products	£11,480,787
Operation of dairies and cheese making	£37,239,898
Other processing and preserving of fruit and vegetables	£9,397,306
Manufacture of fruit and vegetable juice	£1,000,392
Processing and preserving of potatoes	£9,332,236
Production of meat and poultry meat products	£21,301,493
Processing and preserving of poultry meat	£44,915,093
Processing and preserving of meat	£31,549,549

Source: EMSI Analytics Tool, 2020

In 2019, there were approximately 205 establishments in the food and sector[2], this accounts for 0.6% of the total establishments in the Marches which is slightly above the UK average of 0.4%.

The following table displays the number of establishments in the Marches.

	The Marches 2019	The Marches 2019 % of Total	UK 2019 % of Total
Advanced Manufacturing	2,715	7.6%	7.5%
Agri-Tech	6,270	17.5%	4.9%
Business and Professional Services	9,080	25.4%	35.2%
Construction	3,595	10.0%	11.1%
Cyber Security and Resilience	535	1.5%	1.1%
Environmental Technologies	215	0.6%	0.6%
Food & Drink	**205**	**0.6%**	**0.4%**
Health and Social Care	1,725	4.8%	5.3%
Public Sector Inc. Education	1,670	4.7%	4.4%
Retail	5,705	15.9%	16.3%
Transport and Logistics	1,100	3.1%	4.0%
Visitor Economy	2,980	8.3%	9.2%
Total	**35,795**		

Source: ONS: UK Business Counts, 2019

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[2] ONS: UK Business Counts 2019. Please note, currently the ONS Business Demography dataset does not provide a breakdown by industry for all registered establishments, the breakdown can be obtained from the ONS UK Business Counts which is a snapshot (March 2019) of the Business Demography dataset.

In 2019, 7 industries accounted for 67.5% (totalling 135 establishments) of the total food and drink establishments within the Marches[3]. **The following figure shows the breakdown by the number of establishments by industry within the food and drink sector.**

Establishment by Industry in the Food and Drink Sector

Manufacture of bread; manufacture of fresh pastry goods and cakes, 35

Manufacture of beer, 25

Production of meat and poultry meat products, 15

Operation of dairies and cheese making, 15

Manufacture of other food products n.e.c., 15

Manufacture of prepared feeds for farm animals, 15

Processing and preserving of meat, 10

Manufacture of cider and other fruit wines, 10

Processing and preserving of poultry meat, 5

Other processing and preserving of fruit and vegetables, 5

Manufacture of grain mill products, 5

Distilling, rectifying and blending of spirits, 15

Processing and preserving of potatoes, 5

Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes, 5

Manufacture of prepared pet foods, 5

Manufacture of fruit and vegetable juice, 5

Manufacture of cocoa, chocolate and sugar confectionery, 5

Manufacture of soft drinks; production of mineral waters and other bottled waters, 5
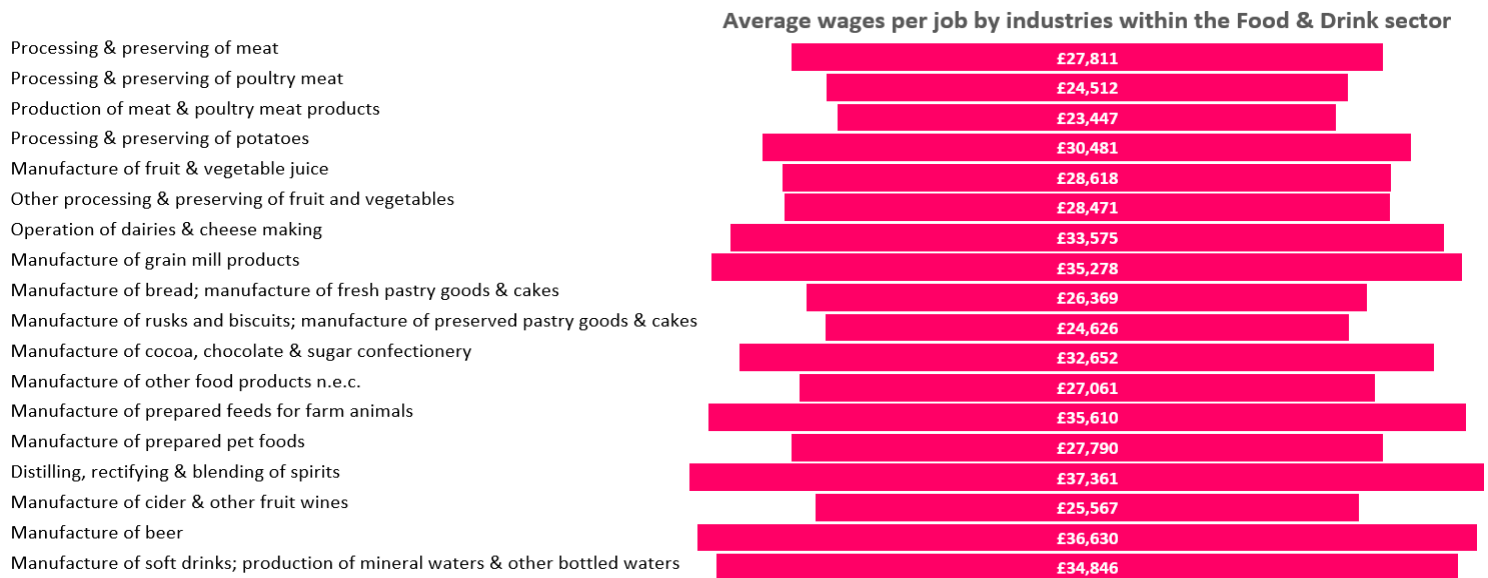
Source: ONS: UK Business Counts, 2019

The overall average wages for the food and drink sector in the Marches is £28,420, with 10 industries above the average. The average wages per job in the distilling, rectifying and blending of spirits industry is £37,361 and the manufacture of cider and other fruit wines was £36,630.

[3] EMSI Analytics tool, 2020

The following figure shows the average wages per job across the food and drink industries.

Average wages per job by industries within the Food & Drink sector

Industry	Average wage
Processing & preserving of meat	£27,811
Processing & preserving of poultry meat	£24,512
Production of meat & poultry meat products	£23,447
Processing & preserving of potatoes	£30,481
Manufacture of fruit & vegetable juice	£28,618
Other processing & preserving of fruit and vegetables	£28,471
Operation of dairies & cheese making	£33,575
Manufacture of grain mill products	£35,278
Manufacture of bread; manufacture of fresh pastry goods & cakes	£26,369
Manufacture of rusks and biscuits; manufacture of preserved pastry goods & cakes	£24,626
Manufacture of cocoa, chocolate & sugar confectionery	£32,652
Manufacture of other food products n.e.c.	£27,061
Manufacture of prepared feeds for farm animals	£35,610
Manufacture of prepared pet foods	£27,790
Distilling, rectifying & blending of spirits	£37,361
Manufacture of cider & other fruit wines	£25,567
Manufacture of beer	£36,630
Manufacture of soft drinks; production of mineral waters & other bottled waters	£34,846

Source: EMSI Analytics Tool, 2020

Location Quotients (LQs) are a way of quantifying how concentrated a particular industry, cluster, occupation, or demographic group is in a region as compared to the nation. It can reveal what makes a particular region "unique" in comparison to the national average. Higher LQs correspond to higher levels of specialisation, with an LQ above 1 indicating that the area is more specialised in that sector than Great Britain as a whole. In 2018, the food and drink sector had an LQ of 1.05[4].

Out of the 18 industries within the food and drink sector, 14 are above 1. Notably, the manufacture of cider and other fruit wines has a significantly high LQ in the Marches at 38.91.

Industry	2018 Location Quotient
Processing and preserving of meat	7.58
Processing and preserving of poultry meat	10.37
Production of meat and poultry meat products	2.55
Processing and preserving of potatoes	3.42
Manufacture of fruit and vegetable juice	3.72
Other processing and preserving of fruit and vegetables	1.39
Operation of dairies and cheese making	6.75
Manufacture of grain mill products	2.34
Manufacture of bread; manufacture of fresh pastry goods and cakes	0.38
Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	0.32
Manufacture of cocoa, chocolate and sugar confectionery	3.36
Manufacture of other food products n.e.c.	0.81
Manufacture of prepared feeds for farm animals	3.36
Manufacture of prepared pet foods	1.55
Distilling, rectifying and blending of spirits	1.19
Manufacture of cider and other fruit wines	38.91
Manufacture of beer	2.68
Manufacture of soft drinks; production of mineral waters and other bottled waters	0.73

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[4] EMSI Analytics tool, 2020

The following table displays LQs for the food and drink sector in the Marches.

2. Supply Side Analysis

2.1. Current Workforce Size[5]

There was an estimated number of 9,250 jobs in the food and drink sector in 2018. This accounts for 3.2% of the total jobs and above the England total of 1.3%[6].

The following table displays the number of jobs in the Marches in 2018.

Source: EMSI Analytics Tool, 2020

Source: ONS: Business Register and Employment Survey, 2019

	The Marches 2018	The Marches 2018 % of Total	England 2018 % of Total
Advanced Manufacturing	32,945	11.4%	8.5%
Agri-Tech	10,730	3.7%	0.7%
Business and Professional Services	54,320	18.8%	24.7%
Construction	15,000	5.2%	4.6%
Cyber Security and Resilience	11,800	4.1%	4.7%
Environmental Technologies	3,215	1.1%	1.1%
Food & Drink	**9,250**	**3.2%**	**1.3%**
Health and Social Care	40,900	14.1%	12.9%
Public Sector Inc. Education	30,000	10.4%	11.3%
Retail	49,000	16.9%	15.3%
Transport and Logistics	9,370	3.2%	4.9%
Visitor Economy	23,100	8.0%	9.9%
Total	**289,630**		

Sector Analysis

EMSI provide a more detailed breakdown of jobs by industry and based on their total of 9,813 jobs in 2018- within the food and drink sector, processing and preserving of poultry meat accounts for 23.8%

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[5] Please note depending on the source – BRES, EMSI – SIC or SOC codes there is some variation in the total jobs figures.
[6] ONS, Business Register and Employment Survey, 2019

of total jobs, this equates to approximately 2,338 jobs in 2018[7]. This is followed by the processing and preserving of meat at 18.3%, this equates to an estimated 1,799 jobs.

The following graph shows the proportion each industry accounts for of the total jobs within the food and drink sector

Proportion of jobs by industry within the food and drink sector

Source: EMSI Analytics Tool, 2020

Occupation Analysis[8]

The food and drink sector use a diverse workforce, which includes a variety of positions that may or may not have a strong educational component.

Description	2018 Jobs
Kitchen and catering assistants	5,321
Bar staff	4,309
Waiters and waitresses	3,841
Food, drink and tobacco process operatives	3,322
Chefs	2,940
Cooks	1,104
Butchers	1,022
Catering and bar managers	800
Restaurant and catering establishment managers and proprietors	754
Publicans and managers of licensed premises	696
Bakers and flour confectioners	285
Fishmongers and poultry dressers	187
Total	**24,583**

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[7] Please note, figures will vary as EMSI Analytics tool, 2020 has been used for further analysis.

[8] Occupation and industry classifications categorise occupations and industries into clearly defined groups. As such they provide a common basis for collecting, presenting, and comparing of labour statistics. **Occupational** classifications (SOC) group people based on job and tasks performed whereas **Industry** (SIC) classifications group people based on the sector of economic activity in which they are employed. For the purpose of this work we have attributed occupations to their most natural industrial sector, so for example a 'Financial Accounts Managers' whose skills are transferrable across all sectors will be contained solely within Business and Professional Services**.** Any identified skills gap for this occupation would apply to all sectors**.**

2.2. Existing Training Provision

2.2.1 Apprenticeship Provision

Apprenticeships Starts

Apprenticeships are a key part of improving skills and providing training opportunities, whether this is training new recruits, upskilling existing staff in their current role, or re-training existing staff for a new role.

The total number of apprenticeships in the Marches (across all sectors) increased to 6,360 from 6,020 in 2018/19 - up 5.5% compared to 4.7% nationally.

The table below identifies the unique apprenticeship starts by area across the Marches LEP for all food and drink related subjects.

Local Authority	2016/17	2017/18	2018/19	Change 17/18 - 18/19	% Change 17/18 - 18/19
Herefordshire, County of	110	70	60	-10	-14.3%
Shropshire	210	140	120	-20	-7.4%
Telford and Wrekin	140	60	70	10	14.3%
Total	**460**	**270**	**250**	**-20**	**-6.7%**

Source: ESFA Datacube, 2018/19

The total number of food and drink apprenticeships decreased by -6.7% across the Marches in 2018/19 to 250. Telford and Wrekin bucked this wider trending, recording an increase of 14.3% or 9 apprenticeships in absolute numbers. The number of apprenticeships in Herefordshire and Shropshire fell by -14.3% and -7.4% respectively.

The table below identifies the number of starts by Tier 2 sector subject areas that contain apprenticeships relating to the 'Food and Drink' sector.

Sector Subject Area	2016/17	2017/18	2018/19	Change 17/18 - 18/19	% Change 17/18 - 18/19
Retail and Commercial Enterprise					
Hospitality and Catering	460	270	250	**-20**	**-6.7%**
Total	**460**	**270**	**250**	**-20**	**-6.7%**

Source: ESFA Datacube, 2018/19

Apprenticeships starts for 'Hospitality and Catering' fell by -6.7% or 18 in absolute numbers in 2018/19. Of concern would be the longer-term decline (since 2016/17) of apprenticeships starts in this sector – down 208 or -45.7%.

Apprenticeship Level for Food and Drink

- Advanced Apprenticeship
- Higher Apprenticeship
- Intermediate Apprenticeship
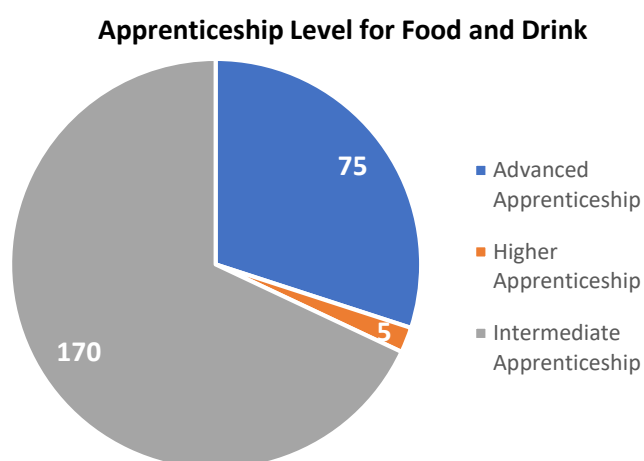
In contrast to the overall trend of more apprenticeship starts at either Advanced or Higher level, more starts were recorded at Intermediate level in 'Hospitality and Catering' than the previous year - up 3%. Starts at Advanced level were down -2% and Higher level down -1%.

Source: ESFA Datacube, 2018/19

In terms of starts by provider, 32 organisations delivered apprenticeships in Food and Drink in 2018/19. The majority of training was provided by the 10 providers listed below, which accounted for 86%.

Provider	2016/17	2017/18	2018/19
Lifetime Training Group Limited	60	70	70
HIT Training LTD	100	30	30
Babcock Training Limited	120	30	30
Heart of Worcestershire College	10	<10	20
Herefordshire, Ludlow, and North Shropshire College	50	30	20
Took us a Long Time Limited	-	<10	10
SBC Training Limited	-	<10	10
Whitbread PLC	<10	10	<10
Remit Group Limited	-	<10	<10
CQM Training and Consultancy Limited	-	-	<10

Source: ESFA Datacube, 2018/19

Private training providers deliver the vast majority of Food and Drink apprenticeships in the Marches. The Lifetime Training Group remain the largest provider delivering 200 apprenticeships since 2016/17.

Apprenticeship Provision

A mapping and gapping exercise of all apprenticeship provision in the Marches has highlighted that there are 35 apprenticeship providers offering apprenticeships in the food and drink sector within 55 miles of the Marches. This was calculated by using the most central postcode SY8 2AF.

The table in the supporting appendix shows the current apprenticeship training provision for each of the standards associated with the food and drink sector across the West Midlands: 16 out of the 20 apprenticeship standards associated with the sector are being offered within 55 miles of the Marches. Most provision is held at the training provider, with some courses offering training at the employer. A colour coding system was used to map and gap the provision, with a preference for learning at providers taking priority in the colour coding, as some providers offer both onsite and offsite learning, which would be coloured green in the matrix.

In 3 cases there were courses with only one provider offering the course across England, e.g. Advanced dairy technologist, Brewer and Food and drink engineer. In 2 of these cases the only provision across England was in the West Midlands.

2 courses were not being catered for anywhere across England at the time of analysis, e.g. Commercial catering equipment technician and Maritime caterer, and in 2 additional cases no provision was available in the West Midlands.

2.2.2 Further and Higher Education Provision

Further and Higher Education providers are significant players in the training marketplace. Their role alongside private training providers is to provide opportunities for both the future and the existing workforce to access relevant training in the health and social care sector.

Specifically, there are the following major further and higher education establishments within the area:

- Herefordshire, Ludlow and North Shropshire College
- Telford College
- Shrewsbury Colleges Group
- Harper Adams University
- University Centre Shrewsbury (University of Chester)
- University of Wolverhampton
- NMITE

Higher Education (HESA)

Harper Adams University specialises in the agricultural and rural sector with an important focus on primary production, food processing and related management and engineering disciplines. The University of Chester has a centre in Shrewsbury specialising in subjects aligned to medicine and healthcare, business, and education. The University of Wolverhampton has a well-established campus in the Marches, located at Priorslee in Telford, which currently specialises in engineering and University Centre Telford in Southwater which delivers education, marketing and business management. NMITE is a new higher education institution in Hereford which will focus on engineering subjects.

The table below sets out the number of students studying in these institutions in the academic year 2018/19. The data relates to all campuses not just those based across the Marches.

Sector	Harper Adams	University of Chester	University of Wolverhampton
Advanced Manufacturing	275	345	1,445
Agri-Tech	4,755	1,020	2,300
Business and Professional Services	135	3,020	4,060
Environmental Technologies	20	370	0
Food and Drink	160	0	0
Health and Social Care	25	4,645	4,300
Public Sector inc Education	5	2,925	4,655
Construction	0	0	0
Cyber	0	200	0
Transport and Logistics	0	10	0
Visitor Economy	0	1,785	2,295
Retail	0	245	0
Grand Total	5,375	14,565	19,045

Source: HE student enrolments by HE provider and subject of study 2018/19

In 2018/19 there were 160 students on courses aligned to food and drink at Harper Adams, down 15 (-8.6%) since the previous year. These students accounted for 3.0% of the student body.

At the University of Chester there were 0 students studying courses in the food and drink sector, this is down by 95 (-100%) since the previous year. These students made up 0% of the student body. The University of Wolverhampton also had 0 students on food and drink related courses.

Qualifications and skills are on a spectrum, with many academic qualifications now having considerable employer input, and many vocational and professional qualifications being delivered by universities. There is an identified need for both detailed subject knowledge and transferable skills to be part of vocational qualifications: 'many formerly purely technical occupations are expected to show a new demand for creative and interpersonal skills' (World Economic Forum, 2016). Health and engineering are examples where such a binary divide becomes unhelpful. Employers will need all of the skills and qualifications along this spectrum, at different times and in different combinations, and learners and employees will need to be able to move along this spectrum and should be supported in doing so.
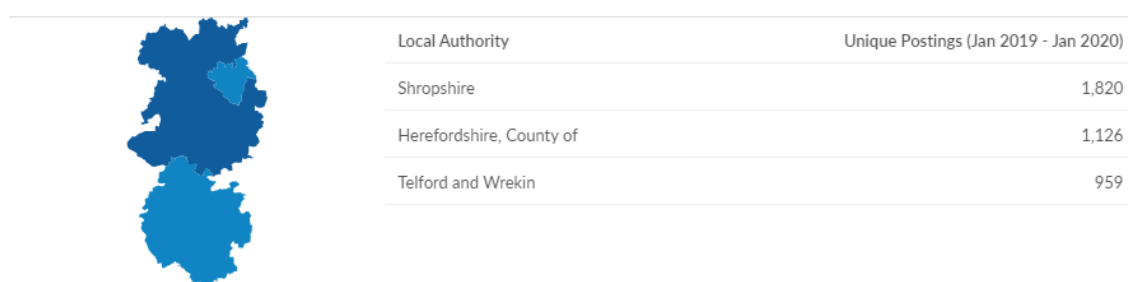
3. Demand Side Analysis

The UK economy as a whole is facing workforce pressures with new records being set in official statistics that demonstrate the tightness of the labour market. The Food and Drink Federation (FDR) in their Industry Report 2020, highlights a chronic shortage of skilled, semi-skilled, and unskilled workers across all occupations and industries within the sector, estimating an additional 140,000 new recruits will be needed by 2024. The FDR reports that many positions currently go unfulfilled due to a lack of labour supply in the market and have raised serious concerns about hiring in coming years. This is likely to be exacerbated further by the current uncertainty around Brexit where it is estimated that 12% of workers across the entirety of the food and drink sector are from the EU.

Analysis of food and drink job vacancies in the Marches last year (January 2019 to January 2020) reveals 12,786 total job adverts of which 3,905 were unique vacancies.

The highest demand is in Shropshire, which accounted for 46.6% of all unique vacancies, followed by Herefordshire (28.8%) and Telford and Wrekin (24.6%).

Job Postings Regional Breakdown

Local Authority	Unique Postings (Jan 2019 - Jan 2020)
Shropshire	1,820
Herefordshire, County of	1,126
Telford and Wrekin	959

The graph below shows the long-term monthly trend for total job adverts for openings in the food and drink sector. The number of adverts increased from 319 in January 2016 to 531 in January 2020. This is an increase of 66.5%.
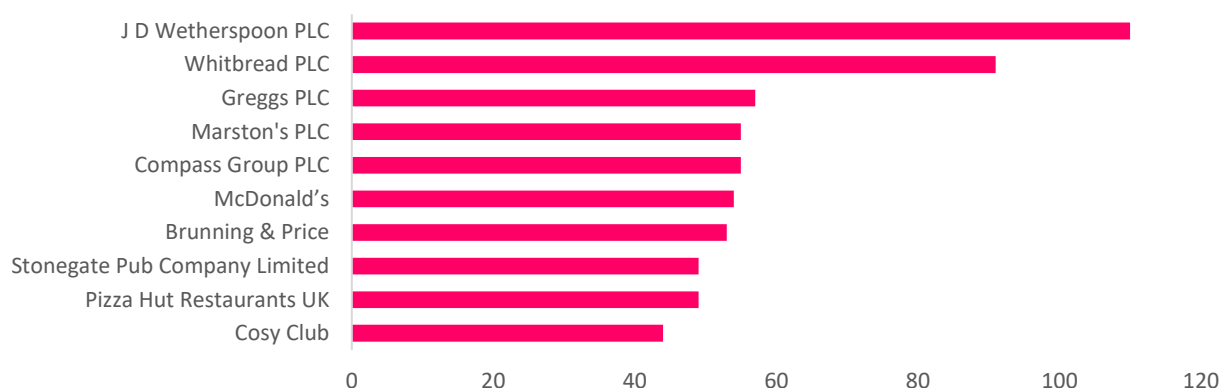
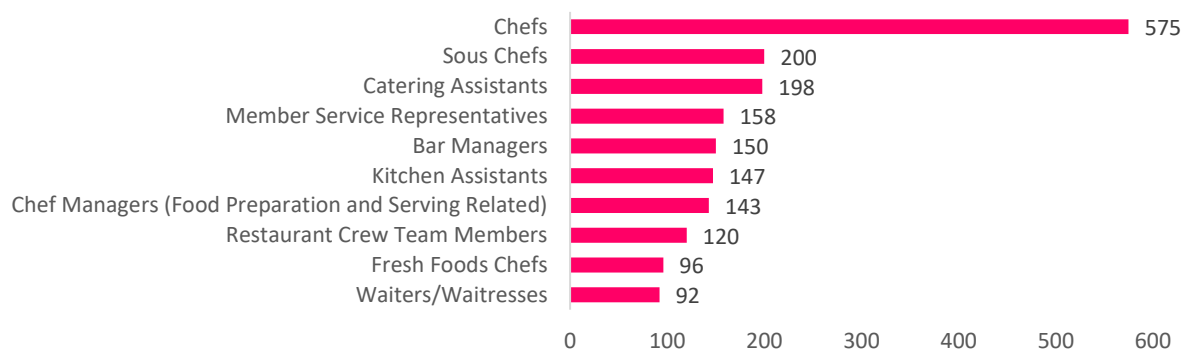Monthly Unique Postings
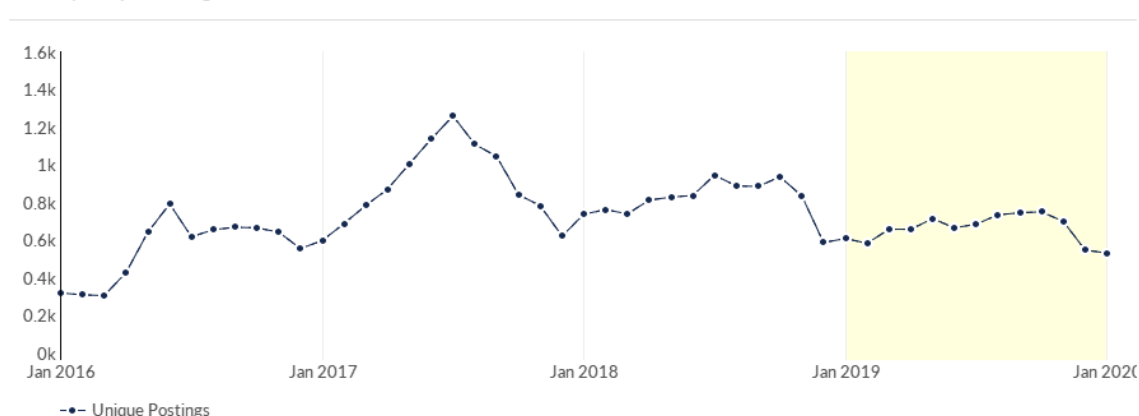
Source: EMSI Analytics Tool, 2020

The top 10 companies looking to recruit to the food and drink sector accounts for 15.8% of unique vacancies posted in the Marches area.

Top 10 companies looking to recruit

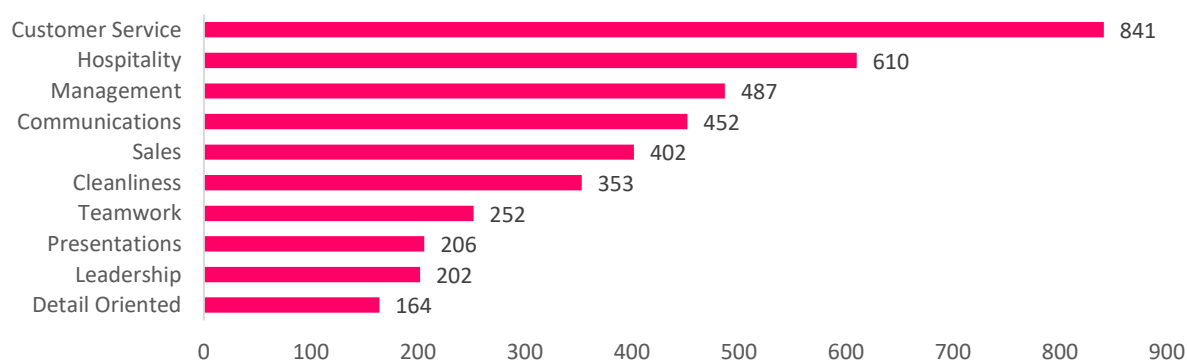| Company	Value
J D Wetherspoon PLC	~110
Whitbread PLC	~90
Greggs PLC	~57
Marston's PLC	~55
Compass Group PLC	~55
McDonald's	~54
Brunning & Price	~53
Stonegate Pub Company Limited	~49
Pizza Hut Restaurants UK	~49
Cosy Club	~44

The top advertised job was chef, and this accounted for 14.7% of all job vacancies in the food and drink sector across. Furthermore, the top 10 jobs accounted for almost half (48.1%) of the jobs across the sector in the Marches.

Top 10 job titles employers are looking to hire

Job title	Value
Chefs	575
Sous Chefs	200
Catering Assistants	198
Member Service Representatives	158
Bar Managers	150
Kitchen Assistants	147
Chef Managers (Food Preparation and Serving Related)	143
Restaurant Crew Team Members	120
Fresh Foods Chefs	96
Waiters/Waitresses	92

The top requested skill was customer service which accounted for 21.5% of jobs in the sector across the Marches. Notably 'management' and 'leadership' also feature in the most requested skills. Combined these two key skills appeared in 689 (17.6%) unique postings.

Top 10 skills employers are requesting

Skill	Value
Customer Service	841
Hospitality	610
Management	487
Communications	452
Sales	402
Cleanliness	353
Teamwork	252
Presentations	206
Leadership	202
Detail Oriented	164

3.1. Occupational Forecasts

In this section of the report we use UKSOC 4-digit 2010 classifications to understand at a granular level the types of occupations and activities required for roles within the Food and Drink sector.

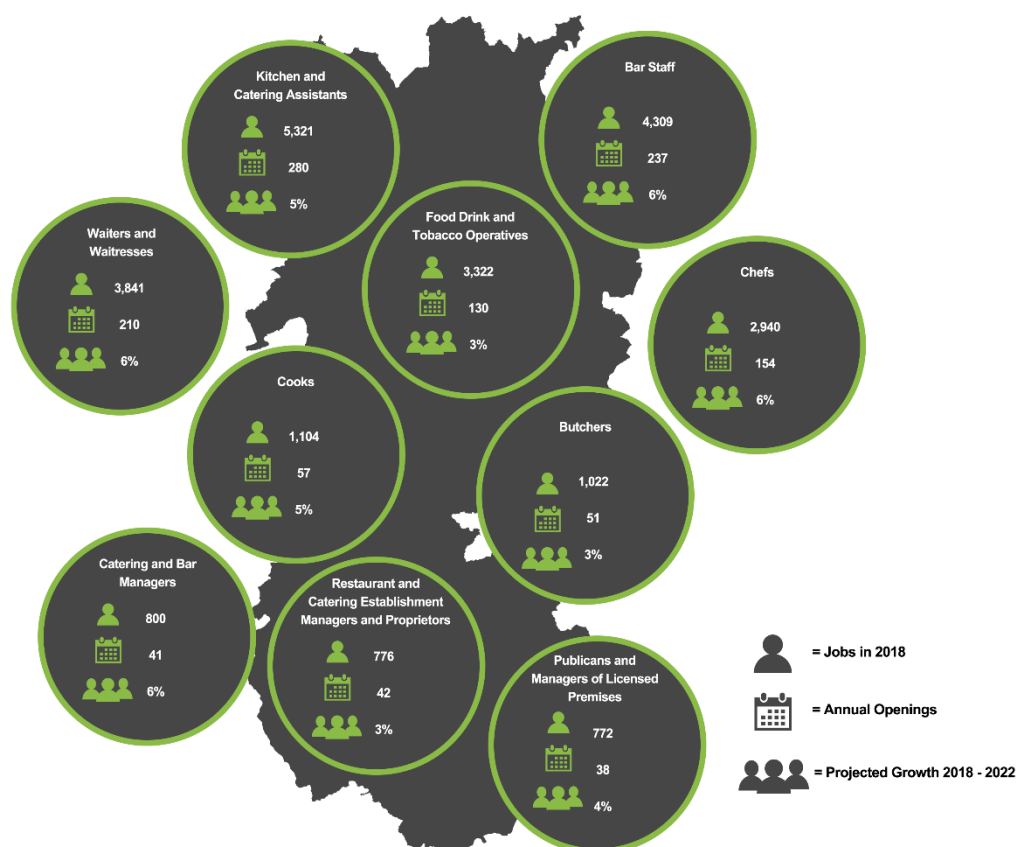| Description	2018 Jobs	2022 Jobs	% Change	2018 - 2022 Openings	Education Level	Automation Index
Kitchen and catering assistants	5,321	5,579	5%	1,118	Level 2 NVQ; GCSE at grades A*-C	83.2%
Bar staff	4,309	4,584	6%	947	Level 2 NVQ; GCSE at grades A*-C	80.4%
Waiters and waitresses	3,841	4,073	6%	841	Level 2 NVQ; GCSE at grades A*-C	73.7%
Food, drink and tobacco process operatives	3,322	3,424	3%	521	Level 2 NVQ; GCSE at grades A*-C	52.4%
Chefs	2,940	3,122	6%	617	Level 2 NVQ; GCSE at grades A*-C	5.3%
Cooks	1,104	1,159	5%	226	Level 2 NVQ; GCSE at grades A*-C	60.9%
Butchers	1,022	1,053	3%	203	Level 2 NVQ; GCSE at grades A*-C	71.6%
Catering and bar managers	800	846	6%	164	Level 2 NVQ; GCSE at grades A*-C	14.0%
Restaurant and catering establishment managers and proprietors	754	800	6%	197	Level 3 NVQ; A Levels	25.7%
Publicans and managers of licensed premises	696	734	5%	174	Level 2 NVQ; GCSE at grades A*-C	14.0%
Bakers and flour confectioners	285	282	-1%	43	Level 2 NVQ; GCSE at grades A*-C	60.7%
Fishmongers and poultry dressers	187	193	3%	35	Level 2 NVQ; GCSE at grades A*-C	61.0%
Total	24,583	25,849	5%	5,087		

Source: EMSI Analytics Tool, 2020

In total there are 12 occupations associated with the food and drink sector. Occupations in the sector are dominated by roles within hospitality, including 'Kitchen and catering assistants', 'Bar staff' and 'Waiters and waitresses. Demand for these three roles are expected to increase the most.

Of the 12 occupations listed above, all but one is expected to grow. The only occupation expected to contract is 'Bakers and flour confectioners' and then nominally by -1% or just three jobs.

Most occupations in the Food and Drink sector score highly on the automation index (the automation index captures an occupation's risk of being affected by automation). Indeed, only four occupations are rated below 50%, 'Chefs' (5.3%), 'Catering and bar managers' (14.9%), 'Publicans and managers of licensed premises' (14.0%) and 'Restaurant and catering establishment managers and proprietors' (25.7%).

The skills profile for occupations within this sector are notably lower than for other sectors. The only role requiring Level 3 or above is 'Restaurant and catering establishment managers and proprietors', with the rest requesting Level 2 skills.

The Marches Top 10 Food and Drink Occupations

Kitchen and Catering Assistants
- 5,321 = Jobs in 2018
- 280 = Annual Openings
- 5% = Projected Growth 2018 - 2022

Bar Staff
- 4,309
- 237
- 6%

Waiters and Waitresses
- 3,841
- 210
- 6%

Food Drink and Tobacco Operatives
- 3,322
- 130
- 3%

Chefs
- 2,940
- 154
- 6%

Cooks
- 1,104
- 57
- 5%

Butchers
- 1,022
- 51
- 3%

Catering and Bar Managers
- 800
- 41
- 6%

Restaurant and Catering Establishment Managers and Proprietors
- 776
- 42
- 3%

Publicans and Managers of Licensed Premises
- 772
- 38
- 4%

= Jobs in 2018
= Annual Openings
= Projected Growth 2018 - 2022

3.2. Job Forecasts by Industry

Overall, the food and drink sector is projected to increase by approximately 208 jobs by 2022.

Within the food and drink sector, the processing and preserving of meat and the processing and preserving of poultry meat are projected to increase by an overall total of 360 by 2022[9]. The manufacture of cider and other fruit wines, manufacture of beer and distilling, rectifying and blending of spirits is projected is increase overall by 182.

The following table shows 2018 jobs and the projected change by industry within the food and drink sector by 2022.

Description	2018 Jobs	2022 Jobs	2018 - 2022 Change
Processing and preserving of meat	1,799	2,005	206
Processing and preserving of poultry meat	2,338	2,492	154
Manufacture of cider and other fruit wines	758	851	93
Manufacture of beer	435	492	57
Distilling, rectifying and blending of spirits	101	133	32
Processing and preserving of potatoes	267	270	3
Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	71	70	-1
Manufacture of other food products n.e.c.	274	270	-4

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[9] EMSI Analytics tool, 2020

Description	2018 Jobs	2022 Jobs	2018 - 2022 Change
Other processing and preserving of fruit and vegetables	300	295	-5
Manufacture of soft drinks; production of mineral waters and other bottled waters	89	82	-7
Manufacture of fruit and vegetable juice	47	36	-11
Manufacture of prepared feeds for farm animals	265	248	-17
Manufacture of bread; manufacture of fresh pastry goods and cakes	282	264	-18
Manufacture of prepared pet foods	92	72	-20
Manufacture of grain mill products	217	194	-23
Operation of dairies and cheese making	1,180	1,137	-43
Production of meat and poultry meat products	769	711	-58
Manufacture of cocoa, chocolate and sugar confectionery	529	398	-131
Total	**9,813**	**10,021**	**208**

Source: EMSI Analytics Tool, 2020

3.3.   Sector Skill Shortages

23% of all vacancies are skills shortage vacancies, compared to 22% nationally. The graph below highlights the acute problem of skills shortage vacancies in certain sectors.
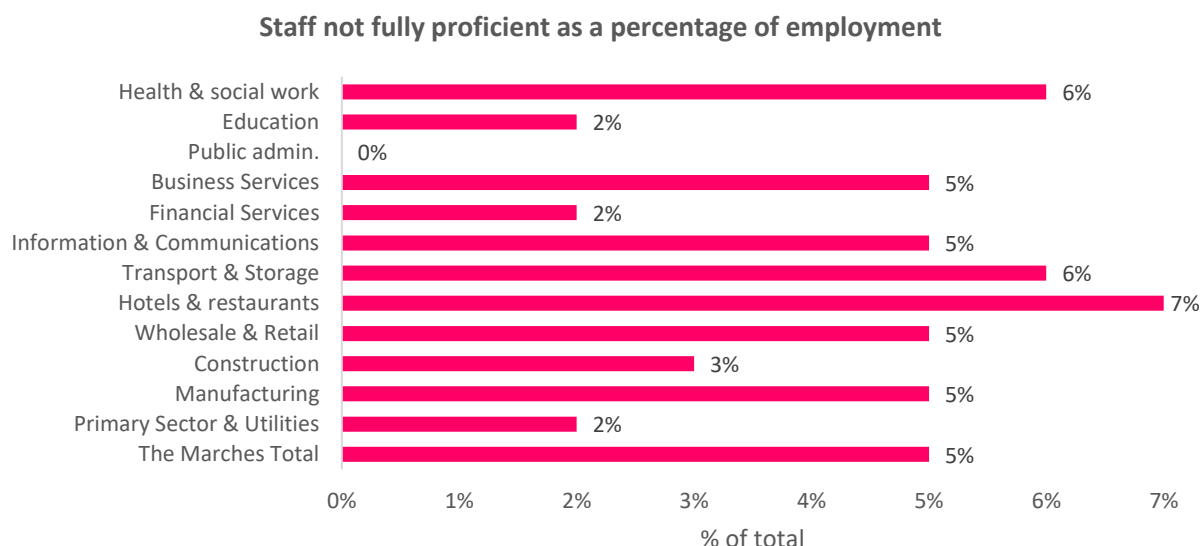
Food and drink, defined in the graph as hotels & restaurants, and wholesale & retail, has a skills gap of 21% and 20% respectively. This is a lower level than other sectors in the Marches, so employers do not have a large problem of hiring to fill skills gaps

Percentage of all vacancies which are SSVs by sector

Sector	%
Arts & Other Services	18%
Health & social work	16%
Education	18%
Public admin.	0
Business Services	31%
Financial Services	0
Information & Communications	0
Transport & Storage	23%
Hotels & restaurants	21%
Wholesale & Retail	20%
Construction	46%
Manufacturing	17%
Primary Sector & Utilities	48%
The Marches Total	23%

% of all vacancies
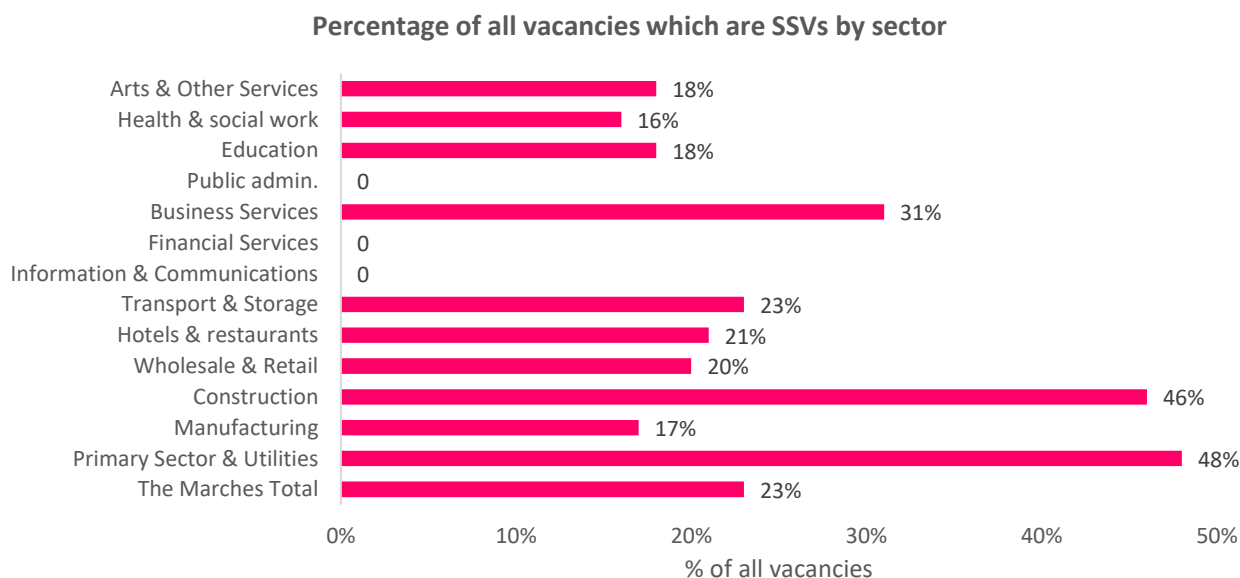
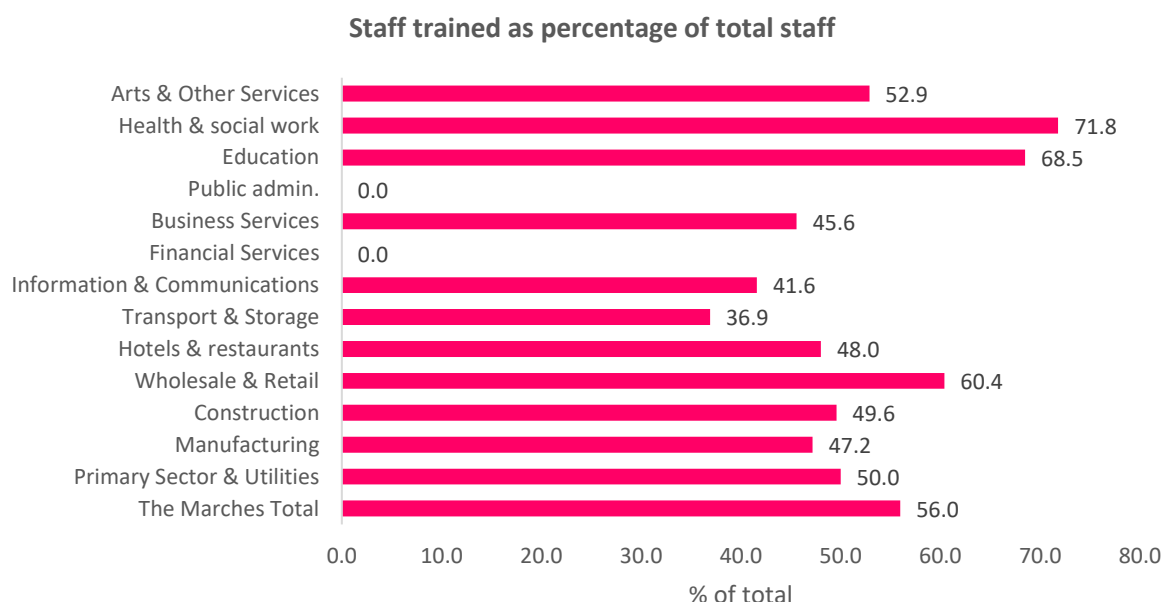*Source: Employer Skills Survey 2017, LEP Summary Tables*

5% of staff are not fully proficient in the Marches, compared to 4% nationally. In the food and drink sector, 7% & 5% of staff are not fully proficient respectively.

The hotels & restaurants part of the sector has the highest percentage of staff not fully proficient out of all the sectors in the Marches. This will hamper productivity as unskilled staff will reduce effectiveness in team working.
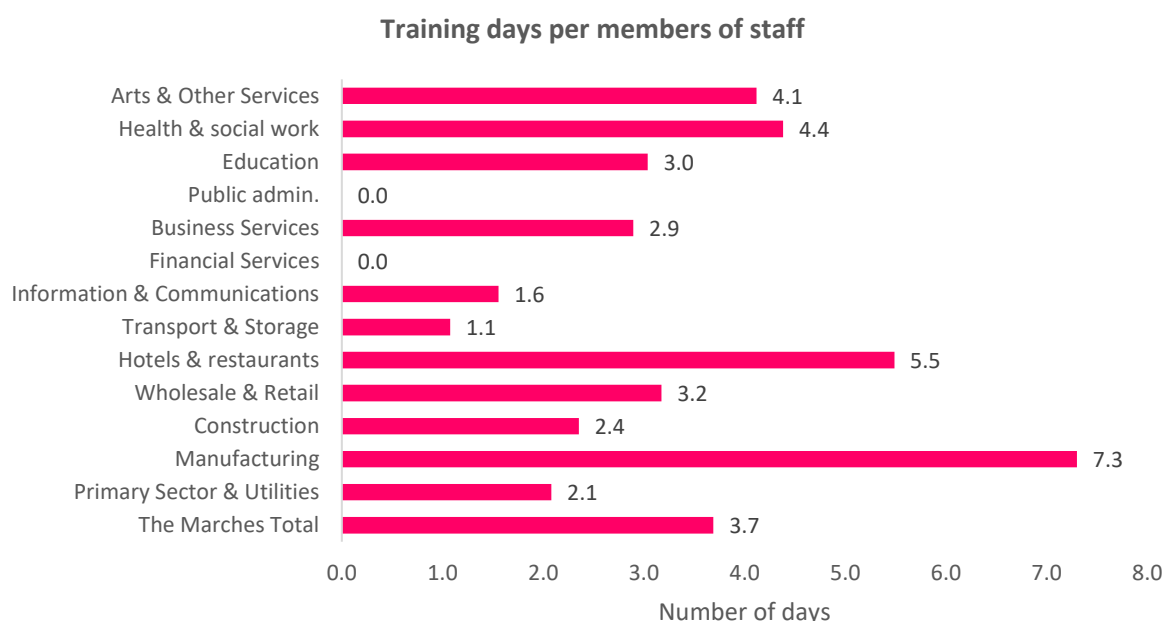
Staff not fully proficient as a percentage of employment

Sector	%
Health & social work	6%
Education	2%
Public admin.	0%
Business Services	5%
Financial Services	2%
Information & Communications	5%
Transport & Storage	6%
Hotels & restaurants	7%
Wholesale & Retail	5%
Construction	3%
Manufacturing	5%
Primary Sector & Utilities	2%
The Marches Total	5%

% of total

Source: Employer Skills Survey 2017, LEP Summary Tables

In the Marches, 56.0% of staff are trained as a percentage of all staff, compared to 62.2% of staff in England. 48.0% & 60.4% are trained in the food and drink sector. The wholesale & retail part of the sector has a high training rate. This may be due to the need to work to tight schedules with food distribution to ensure food doesn't meet its perishable date.

Staff trained as percentage of total staff

Sector	%
Arts & Other Services	52.9
Health & social work	71.8
Education	68.5
Public admin.	0.0
Business Services	45.6
Financial Services	0.0
Information & Communications	41.6
Transport & Storage	36.9
Hotels & restaurants	48.0
Wholesale & Retail	60.4
Construction	49.6
Manufacturing	47.2
Primary Sector & Utilities	50.0
The Marches Total	56.0

% of total

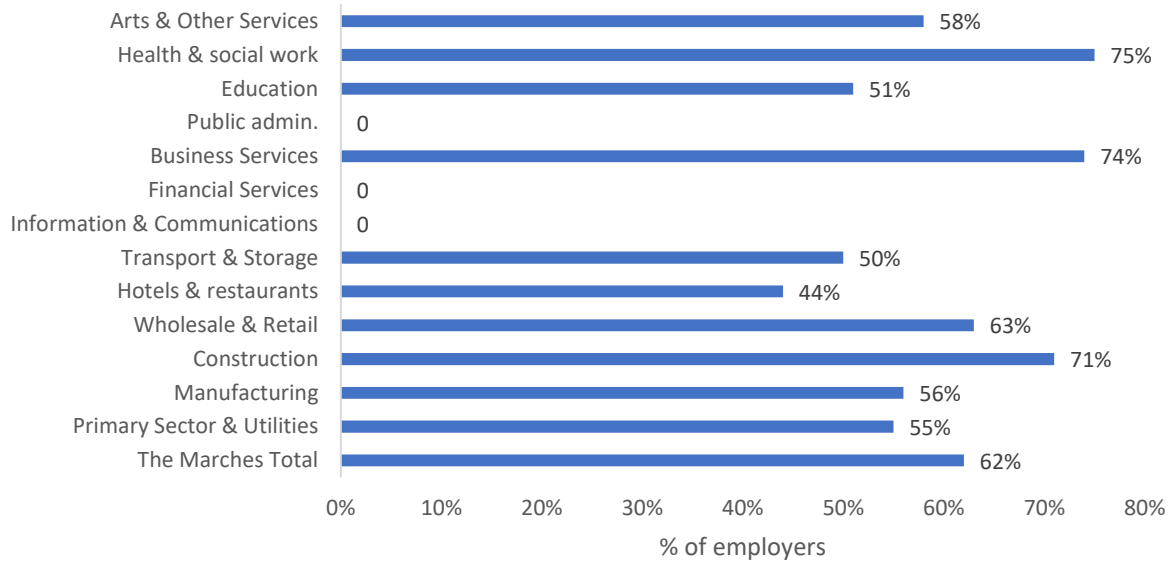*Source: Employer Skills Survey 2017, LEP Summary Tables*

On average, employees in the Marches have 3.7 training days. In the food and drink sector this is 5.5 and 3.2 training days respectively. Given that the food and drink sector has many standards to adhere to, e.g. food and hygiene standards, many workplaces will ensure staff are trained to comply with national guidelines.

Training days per members of staff

Category	Number of days
Arts & Other Services	4.1
Health & social work	4.4
Education	3.0
Public admin.	0.0
Business Services	2.9
Financial Services	0.0
Information & Communications	1.6
Transport & Storage	1.1
Hotels & restaurants	5.5
Wholesale & Retail	3.2
Construction	2.4
Manufacturing	7.3
Primary Sector & Utilities	2.1
The Marches Total	3.7

Source: Employer Skills Survey 2017, LEP Summary Tables

62% of employers in the Marches expect the need for new skills in the next 12 months, this is the same as national levels. In the food and drink sector 44% & 63% of employers expect new skills from employees respectively. The low percentage of employers expecting new skills in the hotels and restaurant industry might be that this is an industry that isn't likely to change that much due to new technologies, however the wholesale & retail part of the food and drink sector might see increases in new ways of working. For example, wholesalers and distributors might use AI technology to monitor delivery schedules and food to ensure the best routes are chosen by drivers to reduce food miles. Upskilling may be the preferred solution to this problem – that is, training current employees with new skills to ensure they can keep up with a changing work environment e.g. enhancements in digital technology. Upskilling may be cheaper for employers and more attractive, given the high number of skills shortage vacancies and the possibility of adding to these if employers can't 'grow their own'.

Whether employers expect the need for new skills in next 12 months

Category	%
Arts & Other Services	58%
Health & social work	75%
Education	51%
Public admin.	0
Business Services	74%
Financial Services	0
Information & Communications	0
Transport & Storage	50%
Hotels & restaurants	44%
Wholesale & Retail	63%
Construction	71%
Manufacturing	56%
Primary Sector & Utilities	55%
The Marches Total	62%

% of employers

Source: Employer Skills Survey 2017, LEP Summary Tables

4. Supply vs Demand

4.1. Provision Review

In this section of 'Supply vs Demand' we will concentrate on the most significant areas of misalignment and gaps across the sector. Identifying which courses are currently over-supplying the labour market, which areas of labour market demand is currently being met and where there might be areas of opportunity for the development of new skill provision.

Discipline	Completers 2019	Annual Openings	Gap Between Demand and Provision	% Jobs Growth (2019-2022)
Hospitality and Catering Operations	1,153	1,725	572	3%
Food and Drink Manufacturing	66	135	69	2%
Hospitality and Catering Management	0	202	202	4%

Green: Areas where the provider base already offers courses, but the data indicates that there may be room to grow these to meet employment demand.

Blue: Courses the provider base does not currently offer, indicating that there is potential for creating new courses to meet these skills needs.

Yellow: Areas where the data suggests that the provider base is currently oversupplying the labour market to a significant level.

Skills provision that is aligned to local jobs and industry demand not only helps providers with their Ofsted inspection but also helps to ensure learners are best placed to get employment using the skills they have learned, supply employers with the skills they need and support growth in the local and wider economy.

This provision review identifies areas of misalignment in the Marches for the food and drink sector:

Strengths (course areas that are well met compared to industry demand)

Course areas which have a gap between supply and demand, where that there is less provision than supply is possibly where there is still potential to increase provision locally. These include the disciplines highlighted green in the table e.g. hospitality and catering operations and food and drink manufacturing.

Disciplines in the green section of the table that also have a net positive change in jobs in the next few years are seen as extra strengths to the area, e.g. hospitality and catering operations and food and drink manufacturing.

Opportunities (course areas that are currently under supplied compared to demand)

Opportunity areas include those highlighted in blue with a gap between provision and demand, as these are the disciplines which are sought after but have no provision locally. There is room for courses to be developed in these disciplines to meet local employer needs, e.g. hospitality and catering management.

Threats (course areas that are well met or oversupplied compared to industry demand)

Disciplines with too much provision and not enough employer demand will lead to an oversaturated supply of labour in certain disciplines. Graduates from these courses will find it difficult to find employment locally, and may have to move out of the area to find work in their field. People skilled in this discipline might have to upskill or retain in other disciplines to find work elsewhere. Courses in this group include those highlighted in yellow, however there are no courses applicable in this analysis.

The best way to implement change is to prioritise interventions based on biggest misalignments and gaps. Disciplines with a low uptake e.g. those in blue, need extra resources to highlight the opportunities in these occupations. **These strengths, opportunities and threats can be clearly identified in the graph below**.

Openings vs Completers
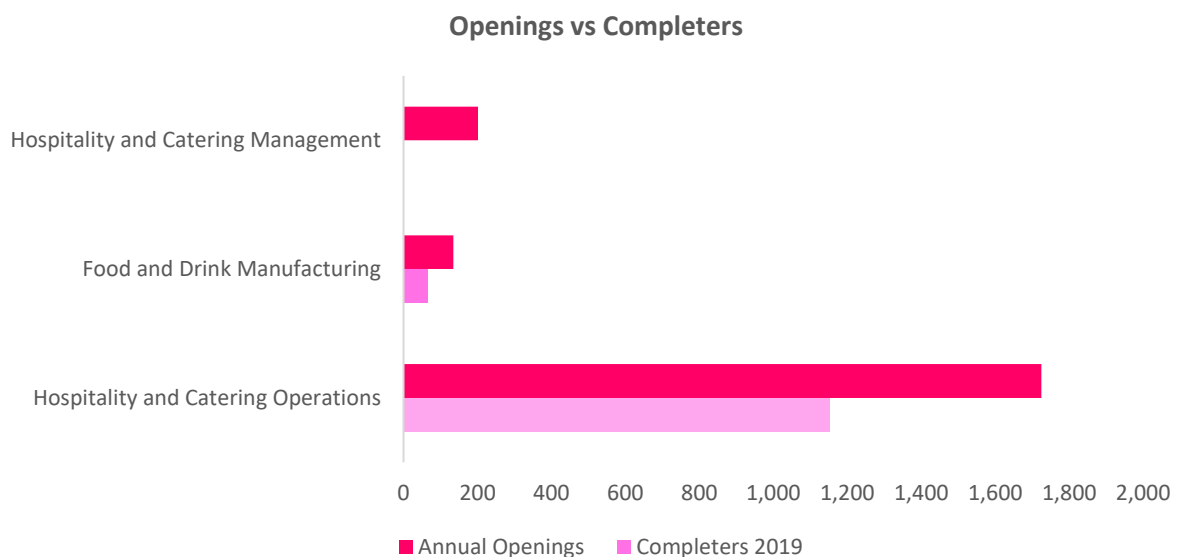
Source: EMSI Analytics Tool, 2020

4.2.   Future Drivers of Skills

Looking forward, future drivers of skills within the food and drink sector will include:

- The increasing use of technology and automation, which will generate a need for more scientific and engineering skills at both professional and technician levels.
- A need for the production workforce to become more technically able. This may include staff with the ability to train up to become truly multi-skilled.
- Outside these skills areas, new working practices are increasing the emphasis on team working and employee flexibility within teams so that the skills and attitudes necessary for teamwork and flexibility will continue to become increasingly important.
- These changes are likely to reduce the range of opportunities that are available in the industry for unskilled workers.
- Increasing regulation will continue to require greater knowledge of food safety issues in all categories of employee, and may well contribute to the need for higher levels of basic skills in production workers who must, for example, be consistently able to interpret product labels.

4.3.   Impact of Brexit

Brexit is likely to be an enormous disruptor for the food and drink sector. The sector is heavily reliant on EU labour and tightly integrated into supply chains. The situation is highly complex and constantly evolving.

The findings of the recent Marches Growth Hub: Brexit Preparation Report, which surveyed 48 businesses from the food and drink sector suggests that a number of firms have taken steps to prepare for Brexit. Less than half of them reported that they trade with the EU (47.9%), but over half have taken steps to prepare for Brexit with 60.4% having thought about the impact of Brexit on their business, and 62.5% having looked at how a change in the EU / UK trade relationship may impact on their suppliers and customers.

4.4   Impact of Covid-19

Covid-19 is having and will continue to have an impact on all business sectors. Digital technology has helped businesses continue to operate by enabling virtual working and addressing skills issues through online tools and training opportunities where appropriate. Predicting how that might impact on businesses in the future is difficult but methods of doing business will change and in some cases that might alter the requirements on digital technology and change skills and training requirements.

The impact on the food and drink sector has been significant – in some areas demand has increased and employment risen, particularly through agencies. Other elements, including the supply chain servicing bars, restaurant and hotel markets have been severely negatively impacted.

5. Conclusions

5.1. Summary

Dedicated and passionate people are at the heart of the food and drink economy. The sector contributes £0.6 billion to Gross Value Added and employs over 9,250 people. However, national and local trends suggest that businesses are struggling to train, recruit and retain enough staff for the industry to thrive. This is likely to be exacerbated by Brexit and rapidly evolving technology within the sector.

The pace of change is expected to accelerate as new technologies are adopted, social and consumption trends change and organisations develop. There is an obvious need therefore within the Marches to ensure there is a sustainable supply of skilled, adaptable and resilient talent to respond to this change.

This will include a workforce that is more technically able overall, able to work flexibly in teams and has higher levels of basic skills than in the past. Workers will also need to be able to change and develop rapidly to meet the needs of new products or process variations. The workforce will also need to be highly skilled in some specific tasks that require high levels of ability. In many businesses, sales and customer service skills will be increasingly important while supervisory, leadership and management skills will be essential for the long-term success of all food and drink businesses.

With the food and drink sector offering a variety of engaging and meaningful careers, the sector needs to be an attractive, prosperous, and responsible career option for people – one where food workers are paid fairly, careers in food and drink are valued, and that food enterprise development and skills are supported.

5.2. Recommendations

Strengthen Resilience: Develop actions that will enable local food and drink businesses to make their operations more circular and resilient at all levels - through reducing waste, increasing efficiencies, and supporting knowledge transfer of successful models, practices, and tools. This will ensure a food and drink economy that is adaptable to a changing future, is rooted in sustainability and resilience, and is informed about an ever-shifting food landscape.

Support Skills Development: Enable initiatives that positively change the perception of the food and drink industry, and ensure pathways to careers are modern and relevant. This should include a focus on an inclusive growth approach and apprenticeships.

Increase Apprenticeships: Apprenticeships are a way for food and drink businesses to beat the competition and lure talent by offering the highest-quality training available, not only for junior level workers, but offer fast-track opportunities to those with management potential.

Invest in Skills: Ensure that bespoke food and drink specific skills resources exist, are well signposted, and accessible for aspiring food businesses and start-ups. This should also include engagement with schools and young people to shape and improve their perceptions of the food and drink sector.

5.3. Action Planning

Moving forward the Marches Local Enterprise Partnership (LEP) and its key stakeholders will need to review the recommendations, develop a strategy and agree an action plan to address the challenges and opportunities identified within this report.