

**Elin Jones AM/AC**  
Y Gweinidog dros Faterion Gwledig  
Minister for Rural Affairs



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

Eich cyf/Your ref  
Ein cyf/Our ref EJ/0220/09

Alun Davies, AM,  
Chair, Rural Development  
Sub-Committee

A handwritten signature in cursive script, appearing to read 'Alun Davies'.

17 November 2009

**The Rural Development Sub-Committee – 12<sup>th</sup> October 2009.**  
**Action points**

At the above meeting you asked for clarification on four points. The answers to your queries are outlined below.

**Minister to provide details of where the wood energy business scheme money can be found in this budget? (Budget Scrutiny)**

The money for administrating this scheme (in part) is contained within the Forestry Commission for Wales Revenue Expenditure BEL. The FCW have secured £7.5m, over 4 years, of European competitiveness and convergence funding. This money will be used to part finance any scheme from a small business that is approved by FCW and contribute towards the running costs of FCW associated with the awarding of the grants.

**Minister to provide details of the original allocations for each axis by year of the Rural Development Plan? (Budget Scrutiny)**

Information is provided in the table at Annex 1. This is the projected financial position that was set out in the formal submission that secured European Commission approval to the Wales RDP in February 2008.

**Minister to provide details of the Dairy Strategy Group's membership and copies of any reports produced by the Group. (Dairy Industry Scrutiny)**

The Dairy Strategy Group's membership is outlined below. Membership of the Group is kept under regular review to ensure balanced representation of the entire dairy supply chain. The Dairy Strategy, issued November 2007, is subject to ongoing review in partnership with the industry. I am not aware of any other formal published reports from the Group. The Dairy Road Map, showing industry agreed targets for carbon reduction, is to issue shortly.

**Agri Food Partnership in Wales - Dairy Strategy Group Membership**

<b>Name</b>	<b>Company</b>
Mr Terrig Morgan (Chair)	Farmer.
Mrs Sue Jones	Advisor/ previously Llanboidy Cheese Director. Cheeses from Wales. Food Standards Agency (Wales) Board member.
Mr Trevor Lloyd	Farmer /Dairy Co
Mr John Western Arnold	Farmer
Mr Will Prichard	Farmer
Mr Gareth Roberts	Llaeth y Llan (Village Dairy)
Mr Thomas Jones	Farmer /advisor (FUW member)
Paul Rowe	First Milk Cheese Company
Mr Bryan Thomas	Farmer and Chair Dairy Development Centre steering committee
Mr Peter Rees	Director of Enterprise Services, Coleg Sir Gar
Martin Jardine	Business Development Executive, Coleg Menai
Mr Jim Begg	Director, Dairy UK
Ken Boyns	Chief Executive, Dairy Co
Mr Bob Merriman	Policy Advisor Agriculture. Environment Agency, Wales
Sue Fowler	Director, Organic Centre Wales
John Griffiths	Manager, Dairy Development Centre, Gelli Aur.
Emyr Jones	Technical Services Division, Welsh Assembly Government
Neil Pearson	Manager. Organic Centre Wales

**Minister to provide a note on what she is doing to ensure that there are sufficiently well qualified staff for our processing industry in Wales, especially in rural areas. (Dairy Industry Scrutiny)**

Recruitment and a shortage of technical and business skills have been identified by Lantra (the SSC for the land-based industries in Wales) and Improve (the Sector Skills Council for food and drink manufacture) as major skills and training challenges for Welsh food businesses. These issues were identified as being of concern throughout the UK when all 4 Food Ministers met in Edinburgh in May 2009 to identify areas that could benefit from

collaboration. Further Ministerial meetings are planned, supported by their respective officials exploring ways to introducing improved provision in this area.

Lantra estimates that 61% of businesses in Wales report difficulty in recruiting staff with the required skills (compared to the UK average of 52%). Although this represents an improvement on 2005 (70% for Wales), these underlying issues have become more pressing due to the economic climate. In addition, Lantra estimates that 4% of staff in the land-based industries in Wales is considered as having skills gaps. A need to modernise production and the resulting increased demand for a skilled workforce are also factors to consider. Against this there are difficult perceptions' to overcome: the general image of the land-based sectors is that of non-academic, career-unfriendly, poorly paid work with long hours.

With respect to technical skills, much of the land-based workforce has years of experience which at present is unrecognised and unaccredited, whilst new entrants/students often lack the required skills. Employers most require job-specific technical skills from their staff, along with management and business skills. Generic skills such as ICT, communication and problem solving are seen as increasingly important. It has been questioned whether some courses are relevant, and the lack of flexibility in the accreditation and course system has been raised as an issue.

Further challenges include tapping into the potential of currently economically inactive parts of the workforce, retaining of skilled labour and the cost of qualified labour.

The Welsh Assembly Government has been pursuing a skills agenda at a strategic level for some time, and has taken action in a variety of ways – both strategic and at a policy level.

### ***Food and Drink Advisory Partnership and Welsh Food Strategy***

The Welsh Assembly Government is working with Improve to support the development of skills in the Welsh food and drink industry. Improve is represented on the Food and Drink Advisory Partnership (FDAP), a high-level body appointed by the Welsh Minister for Rural Affairs at the end of 2008. The FDAP is the overarching body of the Agri-Food Partnership which includes sector-, cross-sector, and regional groups. The remit of the FDAP includes providing advice to Ministers and Government on food and drink related matters in a strategic context. Skills and training that work for the industry and for businesses have been identified as a priority for action, and will be considered in the context of the new Welsh food strategy. This strategy is being developed in conjunction with the FDAP and aims to provide direction to both industry and government for the next five to ten years.

The Chair of the FDAP, Dr Haydn Edwards, has recently retired from his post as Principal of Coleg Menai, one of the three Welsh food centres, and has been supporting skills development in the food sector in his previous role. He is also a member of Estyn, the independent education inspection body. Dr Edwards was appointed WorldSkills Champion for Wales in summer 2008, after being nominated by fforwm, the organisation representing further education colleges and institutions in Wales. Since being appointed, Dr Edwards has been encouraging further education colleges and training providers to actively support Skills Competition Wales.

### ***Agri-Food Partnership Training and Skills Group***

In recognition of the importance of skills and training, a Training and Skills Group has been established as a cross-sector group within the framework of the Agri-Food Partnership. The

group is chaired by the representative of Improve. Members include the Tourism Training Forum for Wales, Skillsmart Retail, People First, Lantra, Food Centre Wales and other training providers. It aims to disseminate information for food industry employers and staff, research and industry background, news and events relevant to businesses and employees, information on careers and standards, and signposting to sources of further information. The group also includes representatives of the Welsh Assembly Government Department for Children, Education, Lifelong Learning and Skills and the Department for Rural Affairs.

The group is currently developing project under the Welsh Assembly Government Sector Priorities Fund. The main aims of the project are to identify skills gaps and support skills development across the Food and Drink chain.

### ***Farming Connect***

The Skills Development Programme under Farming Connect, provided under the Wales Rural Development Plan, offers opportunities for eligible farmers to train and gain skills. The programme, aimed at enhancing vocational skills, is delivered by the Welsh Assembly Government in conjunction with Farming Connect Development Centres and Lantra, In addition, the programme offers free skills assessments to eligible businesses, subsidised funding towards the cost of short accredited courses, and the support of a Skills Co-ordinator in each region (North, Mid, South-West and South-East Wales).

Farming Connect also offers a variety of alternative means for skills transfer in order to facilitate diversification and value adding beyond the farm gate as well as support for social, environmental and economic sustainability. This includes on-farm events, practical demonstrations, discussion groups and networking events.

### ***Food Centres***

The Welsh Assembly Government is supporting three food centres: the Food Technology Centre at Coleg Menai, the Food Centre Wales Horeb, and the Food Industry Centre at the University of Wales Institute in Cardiff. Part of the wide food-related remit of these centres is to assist food businesses and individuals aiming to improve their skills base, by offering food-industry specific training, with a focus on processing and value adding, quality management in a food business environment, health and safety, environmental health and hazards assessments. The Welsh Assembly Government is working closely with the food centres to ensure that industry needs are met whilst preserving flexibility.

The food centres are business-focused cornerstones of practical training and skills development in close relationship with business development, new product development, value adding and marketing. A wide range of facilities, providing for business needs ranging from research over staff training to production and marketing, offers an integrated and thoroughly pragmatic alternative to traditional training and skills improvement routes.

### ***Food Industry Centre – UWIC***

The new Food Industry Centre was launched in April 2009 by the First Minister. The aim for the centre is to help food businesses to meet global food safety standards while making an impact on the knowledge economy through applied research, knowledge transfer and the provision of graduates with the skills demanded by employers. A number of bursaries for Food Science students are offered in the form of work-based industry placements and cash

payments. Work based placement students have the opportunity to improve their grades and enhance their chances of employment. This helps transferring research and knowledge into the industry at an affordable cost to businesses.

The centre also provides practical courses on assessing and managing food safety risks to industry, Local Authority food agencies and food science and environmental health students. In addition, its state-of-the-art product development and testing facilities are available to food businesses. These facilities include a professional kitchen and bakery, and the first Sensory Suite in Wales where new food products can be taste-tested under strictly controlled conditions.

### ***Wider Strategic Approach to Skills and Training***

#### **Lantra – Skills Assessment for the Environmental and Land-based Sector**

In October 2009, Lantra published its Skills Assessment for the Environmental and Land-based Sector. The report outlines skills gaps and shortages of the current workforce and projects skills needs up to 2017. Its express aim is to provide "...vital labour market intelligence to ensure that government, employers, individuals and other stakeholders are able to make appropriate investments in skills so that this vital sector can thrive and grow...." The report will inform the further development of skills and training provision in the Welsh food and drink sector. To achieve this, the Welsh Assembly Government is liaising with Lantra and SSCs, with SSC representation on the FDAP and officials working with Lantra and other stakeholders through the Agri-Food Partnership Training and Skills Group to engage food businesses.

#### **Rural Development Plan for Wales 2007 – 2013**

While Axes 1 and 2 have a strong farm/agricultural/forestry basis, , Axis 3 provides an opportunity for wider rural community initiatives to benefit from support. This may include community based skills initiatives.

#### **Skills that work for Wales**

To address the area of skills and training, the Welsh Assembly Government launched its strategy 'Skills That Work for Wales' in January 2008. This strategy for skills and employment has four key themes:-

##### **Meeting Needs, Meeting Demand.**

This places employers as the key customers for employment and services, with an emphasis on the need for a strong voice from employers, as represented by the UK Commission for Employment and Skills (UKCES), and through Sector Skills Councils (SSC) which – via Sector Skills Agreements – set educational and skills standards in conjunction with employers in their respective sectors.

##### **2. Workforce and Business Development**

This aims to join up skills support with wider business support that addresses skills such as leadership, innovation, and business planning. Funding is refocused around a Sector Priorities Fund to deliver strategic learning priorities as identified by employers, for example through Sector Skills Agreements.

### **3. Towards Full Employment**

This theme aims to integrate employment and skills services, to develop more flexible and comprehensive individual support packages for people outside the labour market. Delivered in co-operation with the Department of Work and Pensions, Jobcentre Plus and other partners, this new option will be called 'Careers Ladders Wales'.

### **4. People and Communities with a Future**

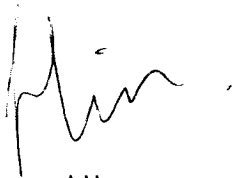
The aim of this theme is to empower people to improve their skills. It will contribute to promoting equality of opportunity for all. It will continue to address basic skills deficiencies across Wales by making them an explicit part of GCSEs. A new entitlement for those over 19 to basic skills provision is also under consideration.

There is considerable cross-departmental engagement to address these aims with respect to skills in the Welsh food and drink sector, and stakeholders are working together through the FDAP and the Agri-Food Partnership Training and Skills Group. This will also inform the further development of the forthcoming Welsh food strategy.

### **Reference / Strategic Documents**

A Skills Assessment for the Environmental and Land-based Sector – UK report (Lantra, October 2009)  
Wales Food and Drink Manufacturing Employer Skills Needs and Supply Mapping Study (Improve, August 2009)  
Skills That Work for Wales (Welsh Assembly Government, January 2008)  
Rural Development Plan for Wales 2007 – 2013 (Welsh Assembly Government)  
Wales: a Better Country – The Strategic Agenda of the Welsh Assembly Government (Welsh Assembly Government, September 2003)

Yours sincerely,



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