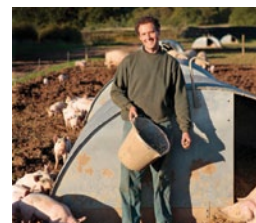


The Welsh Food & Drink Skills Project

Labour Market Intelligence Data Sheet delivering skills for future growth



people1st cymru



LANTRA
Raising skills, backing business
Codi sgiliau, cefnogi busnes



Improve
CYNGOR SGILLIAU RHYD A DIOD
FOOD & DRINK SKILLS COUNCIL
CYMRU
WALES



skillsmart retail
cymru

March 2012



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1 Introduction

Background to the overarching project

The Welsh Food and Drink Skills Project published its report 'Delivering Skills for Future Growth' in October 2011, indicating the supply and demand for education and training. At a strategic level, there are skills gaps in leadership and management, business planning, and financial management. At a more technical level the most important skills identified by businesses overall were operating and maintaining equipment, waste awareness, environmental awareness and practices, sales and merchandising and manual handling.

This Welsh Food and Drink Skills Project represents the combined efforts of four Sector Skills Councils operating in the key industries. These include primary production (Lantra), food and drink manufacturing (Improve), hospitality and tourism (People1st) and retail (Skillsmart Retail), therefore representing the main industries involved from the production to consumption of Food & Drink in Wales. Employing 230,000 people, 18% of the total Welsh workforce, it is the single largest employer in Wales.

Hospitality

The hospitality sector, as the last stage in the supply chain, includes the following businesses that provide: overnight accommodation and food (bed and breakfast), prepare, cook and serve food or drinks for lunch or evening meals to paying guests, as well as organisations that are solely involved in the preparation of food and drinks and hospitality services, for instance catering services.

Rationale for this additional research publication

The aim of this work is to provide industry, including trade associations, employers and education providers, with up-to-date statistically robust information as an extension of the work from the overarching 'delivering skills for future growth' report. This data shows employers' views on which are the important skills areas and where skills gaps exist in the workforce.

Factsheet Structure

This additional information is presented in a series of four data sheets. The Sector Skills Councils' research teams have analysed the data sets collected from the initial survey of 1,875 businesses across the Food & Drink Supply Chain. The analysis is intended to provide more in-depth information on each of the four sectors and also provides analysis on a regional basis where applicable and an overview of business diversification and the associated skills needs and gaps.

By producing data tables across the four industries, it will be clear where there are similarities and differences across the industries in terms of skills needs and where diversification has occurred. Skills and skills gaps are explored in relation to business size (employee numbers) and location of business. The information also identifies the skills which are becoming more important and the best training methods for businesses according to their size and location. The information presented also looks at the number of businesses which have diversified in particular areas of their sector, and where they are located.



2 Hospitality

The following section includes data on the importance of skills, skills gaps and business diversification within the hospitality stage of the food supply chain.

627 respondents said their main business was within the hospitality sector of the food supply chain. 19% (120 respondents) provided overnight accommodation, food and drink to paying guests. Almost 60% (369) prepared, cooked and served food and provided drink at lunch and evening meals but didn't provide accommodation. A further 138 respondents were from what is termed 'Hospitality Services'. This includes contract catering, school meals etc.

Importance of skills for hospitality businesses by region

Respondents were asked to grade a number of skills on a scale of 1-10, 1 representing not at all important and 10 representing extremely important. 'Waste awareness' and 'environmental awareness and practices' were of high importance across the board, both receiving a score above 8. Some regional variations exist. For instance, 'operating and maintaining equipment' skills are more important to businesses in North, South East and Mid Wales than to employers located in the South West Wales. Correspondingly, food technology is less important for respondents who are based in South East Wales and reported as very important by businesses located in North Wales. The table below identifies the three top skills in each region in Wales.

Table 1: Importance of skills in the Welsh regions

Skills	Wales Region			
	North Wales	South East Wales	South West Wales	Mid Wales
	Mean	Mean	Mean	Mean
Operating and Maintaining Equipment	8.67	8.5	6	8
Waste Awareness	8.29	8.44	8.71	8.21
Management of Raw Materials	7.68	7.63	8.01	8.01
Procurement and Contracting	*	*	5.50	6.75
Environmental Awareness and Practice	8.19	8.19	8.31	8.27
Administration Skills	7.83	7.48	7.58	8.11
Sales and Merchandising	7.87	8.10	7.51	8.13
Manual Handling	7.67	8.25	6	8.2
Food Technology	9.33	6.75	9	8.33
Bakery Skills	3.64	3.83	4.19	5.13
Knife Skills, e.g. butchery, filleting	5.58	5.47	4.96	6.24
Fishmongery	2.93	3.03	3.08	3.42
Confectionery Skills	3.66	3.82	4.60	4.64
Dairy Production Skills	2.52	2.51	2.68	2.42
Brewing Skills	2.72	2.68	3.42	4.03
Online Retail Skills	4.36	3.37	3.88	4.65
Sourcing Skills, e.g. where you purchase goods from	7.34	7.05	7.26	8.05
Ability to speak Welsh	4.34	2.47	3.93	4.79

*denotes sample size too small to report on, below 25 responses.



Importance of skills in hospitality by employee size

'Waste awareness' is considered very important across almost all size bands. This is followed by 'operating and maintaining equipment' reported very important by respondents across 4 size bands. In general, however, there does not seem to be a clear pattern in the distribution of skills priorities by business size.

Table 2: Importance of skills in the different business sizes

Skills	Employee Size					
	1	2-3	4-5	6-10	11-50	51+
	Mean	Mean	Mean	Mean	Mean	Mean
Operating and Maintaining Equipment	9	8.2	6.5	7.5	9	8.33
Waste Awareness	8.38	8.34	8.53	8.39	8.59	8.11
Management of Raw Materials	6.88	7.86	7.79	7.76	8.11	7.18
Procurement and Contracting	*	6.00	10	1	*	9
Environmental Awareness and Practice	8.25	8.45	8	8.35	8.17	7.54
Administration Skills	7.91	7.65	7.41	7.77	7.91	7.36
Sales and Merchandising	7.59	7.98	7.6	7.99	8.19	7.32
Manual Handling	8	7	7	8.25	8	9.33
Food Technology	9.5	8	8.33	8.67	7.5	6.5
Bakery Skills	5.82	3.98	4.33	3.7	4.32	3.13
Knife Skills, e.g. butchery, filleting	4.62	4.90	5.57	6.09	5.67	4.52
Fishmongery	2.38	2.52	2.9	3.49	3.75	2.63
Confectionery Skills	5.53	3.81	3.84	4.33	4.34	3
Dairy Production Skills	2.41	2.03	2.83	2.78	2.77	1.39
Brewing Skills	1	3.63	2.61	3.77	2.62	2.78
Online Retail Skills	3.11	4.91	3.28	3.68	3.89	4.21
Sourcing Skills, e.g. where to purchase goods from	7.19	7.56	7.04	7.49	7.33	6.39
The ability to speak Welsh	3.31	4.02	3.68	3.46	3.45	3.82

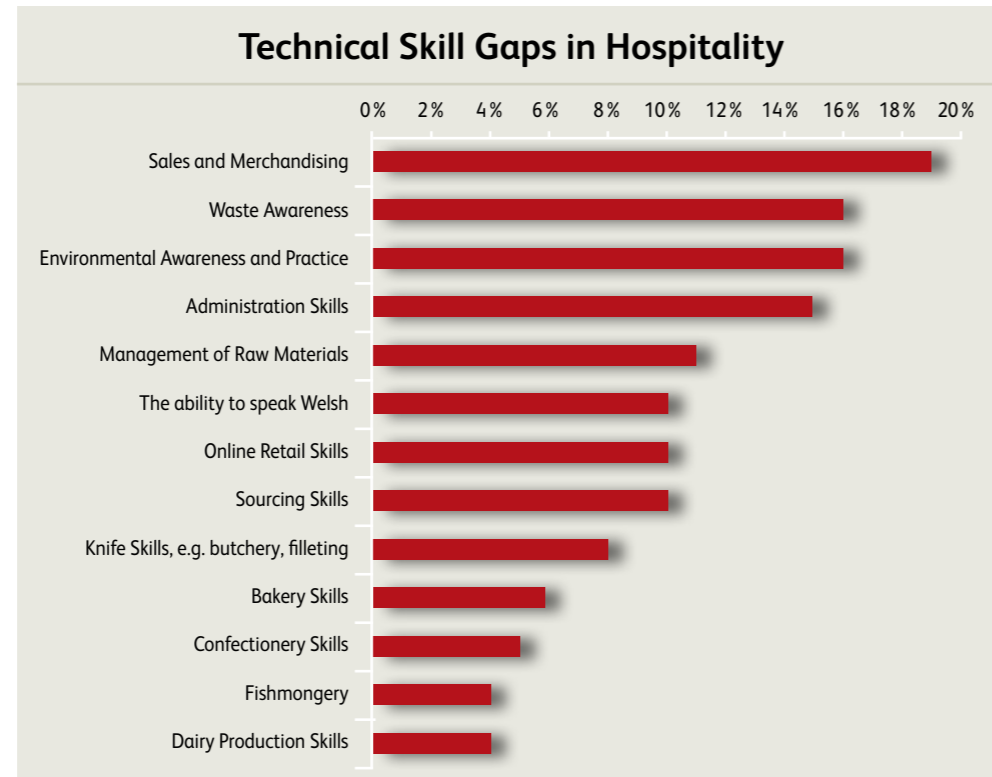
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Technical skill gaps in hospitality

59 % of the hospitality businesses in Wales reported that there were no skills lacking in their current workforce. Figure 1 below shows the skill gaps in the industry. Those who reported skills gaps mentioned 'sales and merchandising', 'waste awareness', 'environmental awareness and practices' and administration skills' as being the highest areas for skills gaps.

Figure 1: Technical Skill Gaps in the industry



The following sections were produced on the basis of very small sample sizes and therefore data tables have not been presented.

Technical skill gaps in hospitality by sub-region

22 % of employers in the South East reported that sales and merchandising skills were lacking in their workforce, this is followed by environmental awareness and practices.

Technical skill gaps in hospitality by employee size

There is some evidence of variations across the size of businesses for technical skill gaps though the only notable differences were limited to sales and merchandising and waste awareness skills. Within businesses with 6 to 10 employees, skills gaps were noted more frequently for these areas than businesses in any other business size.

Skills growing in importance in hospitality by sub-region

Respondents were asked to respond to a series of questions on technical skills including whether they thought those skills would become more important to their business in the next three years. Three out of 10 respondents reported that there will be no skills that will grow in importance in the next three years. Environmental awareness and practice was mentioned as the skill that was bound to become more important by businesses in South East and South West Wales.

Skills growing in importance in hospitality by employee size band

Environmental awareness and practices are seen to be the important skills in the future for businesses with 2-3 and 11-50 staff.

Best training method for the business by sub-region

When analysed by region, the option of 'on-the-job training with employer' was considered the best training method for businesses above all other options. It is unclear whether this is due to familiarity with this training method, and therefore whether other training methods could be considered just as effective if the business knew more about them. The second most popular training is 'off-site training with external providers'.

Table 3: Best training method in the Welsh regions

Training method	North Wales		South East Wales		South West Wales		Mid Wales	
	n	%	n	%	n	%	n	%
Day release or modular courses	29	18 %	51	23 %	*	*	*	*
Off-site training with external provider	32	20 %	59	27 %	28	19 %	28	29 %
On-the-job training with employer	102	65 %	153	69 %	95	63 %	60	62 %

*denotes sample sizes is too small to report, below 25 responses

Best training method for the business employee size band

In terms of organisational size, on-the-job training is the most common form of training used across the various sizes of business. Day release or modular courses and on-site training with an external training provider is predominately used by businesses with six or more staff. This could be due to bigger businesses having more flexibility and additional resources which make these viable training solutions.

Table 4: Best training method in the different business sizes

Training method	Employee Size							
	2-3		4-5		6-10		11-50	
	n	%	n	%	n	%	n	%
Off-site training with external provider	33	20 %	26	23 %	31	21 %	38	30 %
On-the-job training with employer	93	58 %	81	71 %	129	87 %	114	91 %

Business Diversification

Of the total respondents in the hospitality sector, 23 % (144) have diversified into another business activity within the food chain (this could be within food and drink manufacturing, primary production, another hospitality related field or retail). Businesses that provide overnight accommodation and food to paying guests, reported the highest level of diversification followed by establishments involved in food and drink, cooking and hospitality services, 56 % and 19 % respectively of the sample in each business activity.

Most of the businesses that have diversified have branched out into other activities within hospitality. Only 8 % of businesses have reported that they have expanded their operations outside the hospitality sector.

Over half of businesses that provide overnight accommodation and food to paying guests have reported to diversify within the hospitality sector, 67 out of 120.



Table 5: Businesses that have diversified into any other food chain activity

Main Business Activity	n	Proportion of sample
Providing overnight accommodation and food to paying guests (bed and breakfasts)	67/120	56 %
Preparation, cooking and serving food or drink for lunch or evening meals to paying guests	51/369	14 %
Other organisation involved in food and drink cooking and hospitality services	26/138	19 %
Total	144/627	23 %

Employee size bands of diversified businesses (where hospitality main business activity)

Of the businesses that have diversified, within and outside of the hospitality sector, almost half (45 %) employ between 6-50 employees.

Table 6: Size of businesses that have diversified

Employee size bands	n	% of hospitality businesses that have diversified
1	*	*
2-3	37/192	19 %
4-5	*	*
6-10	34/157	22 %
11-50	29/128	23 %

*denotes sample size too small to report on, below 25 responses.

Location of diversified businesses (where hospitality is main business activity)

In absolute terms, a third of diversified businesses are located in Mid-Wales (where hospitality is the main business). However, in terms of the proportion of the sample size in each region, diversification is most prevalent in hospitality businesses in Mid Wales where 53 % have diversified.

Table 7: Location of business that have diversified

Wales Region	n	% of hospitality businesses that have diversified
North Wales	33/158	21 %
South East Wales	35/221	16 %
South West Wales	33/151	22 %
Mid Wales	51/97	53 %

For full report and appendices go to:
www.foodanddrinkskills.co.uk

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