Edible Horticulture Skills 2020

Sub-Sector Report: Packhouse Activities

A report for the Agriculture and Horticulture Development Board

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DRAFT

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1. Introduction

Important Note
The bulk of the research for this study was conducted prior to the full impact of the Covid-19 epidemic in the UK. However, the final stages coincided with the "lockdown" and the researchers were able – in conjunction with AHDB – to adjust some of the questioning to gather important reactions and perceptions on the impacts.

The research presented in this dedicated sub-sector report is based on the responses of packhouse businesses during the course of the Edible Horticulture Skills Survey 2020.

The skills survey was based on the following research objectives and this mini-report has been so structured:

1. Estimate current and anticipated future UK workforce numbers in the UK Edible Horticulture sector, including additional and replacement demand
2. Understand the drivers of change affecting Edible Horticulture (including opportunities and constraints to growth) and how these are influencing employers' skills needs
3. Establish the profile of the Edible Horticulture workforce, including demographic information, ethnicity, qualifications attainment and working patterns
4. Quantify the prevalence of skills shortage and recruitment difficulties at all levels (including hard-to-fill vacancies) and reasons why these are being experienced
5. Quantify current skill levels and the future importance of those skills (using a skills-scoring approach), to determine future critical skills gaps and priority training needs
6. Identify the organisations that employers are using to provide training and highlight any gaps in training provision that can be identified by employers
7. Explore attitude, approaches and barriers to training.

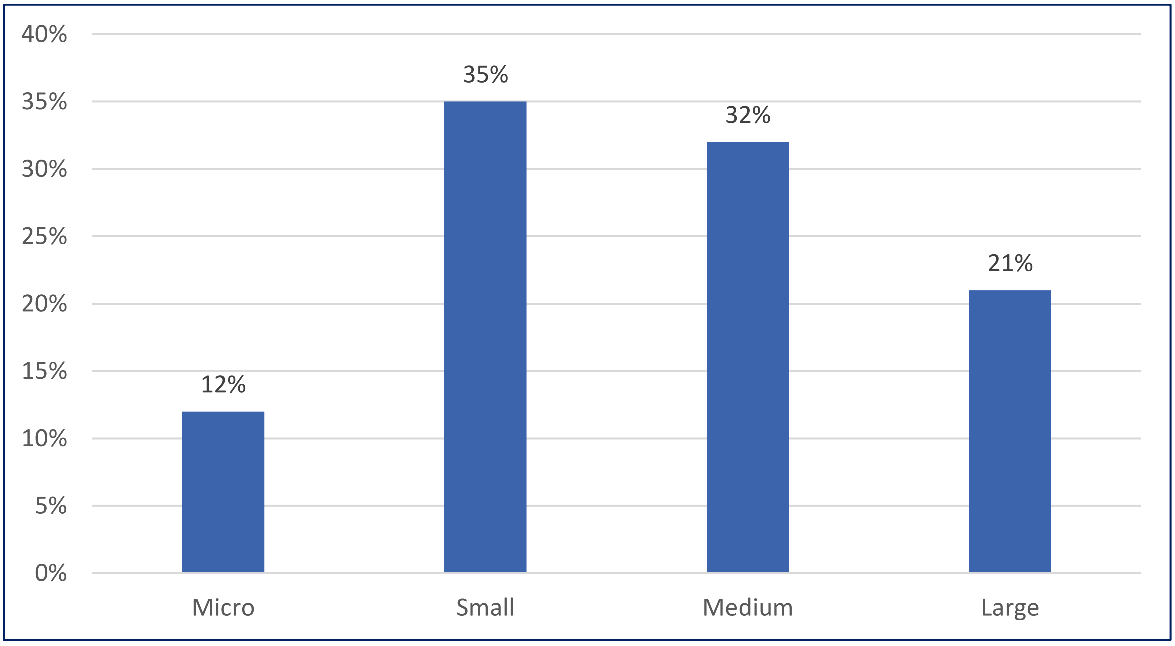
1.1 Response profile

Of the 556 businesses completing the main edible horticulture skills survey, 58 companies work primarily in the packhouse activities sector (storing, packing value-adding and dispatching produce). These 58 companies employ a total of 9,485 staff; this equates to an average of 164 staff per business.

For context, Pye Tait's FAME Business Database (containing over 5m UK incorporated and unincorporated businesses and updated every quarter) contains details of around 260 relevant packhouses which handle a variety of produce including vegetables, mushrooms, fruit, tomatoes, salads, lettuce, soft fruits, etc..

Of these 58 companies,[1] a large proportion (67%) are small and medium businesses. A fifth (21%) are large businesses (250+ employees) and a minority (12%) are micro businesses (fewer than ten employees).

Figure 1: Business size (large defined as 250+ employees)

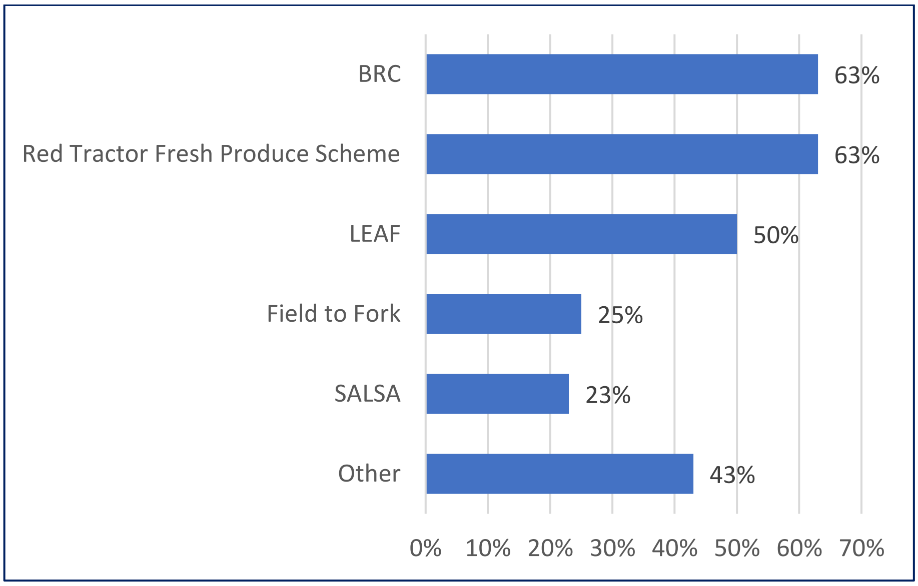


Base: 57 respondents, single choice question. Source: Pye Tait Consulting 2020.

Businesses tend to be affiliated to at least one, and sometimes more than one, accreditation scheme. The most popular schemes are the Red Tractor Fresh Produce Scheme and the BRC.

[1] It should be noted that not all businesses were able to answer each question or each in question in full detail. The base numbers for the survey responses and respondents may therefore vary from question to question.

Figure 2: Affiliation to accreditation schemes



Base: 106 responses. Source: Pye Tait Consulting 2020.

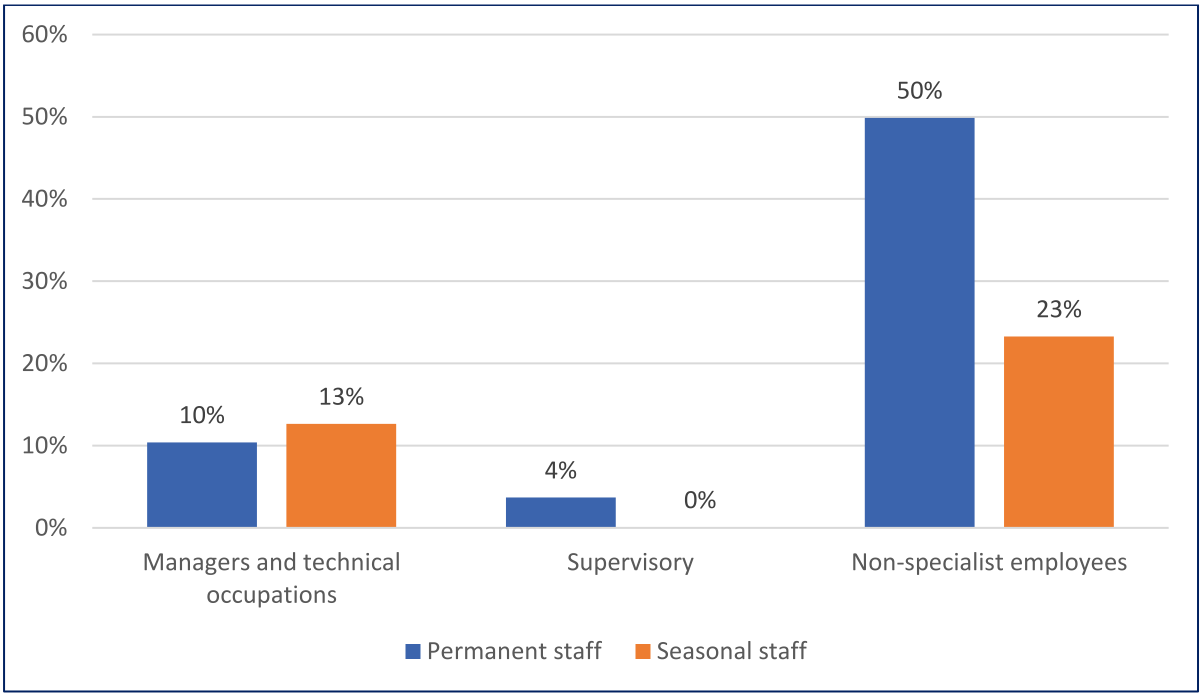
2. Workforce

2.1 Workforce overview

Of all staff employed, half are permanent, non-specialist employees (50%) and a further 23% are seasonal, non-specialist employees. Non -specialist employees are workers that may not have a technical occupation, but still have skills in food production and hold certified competences such as forklift driving or spraying.

Managerial/technical occupations comprise just under a quarter of all roles (23%) and supervisory positions are least common.

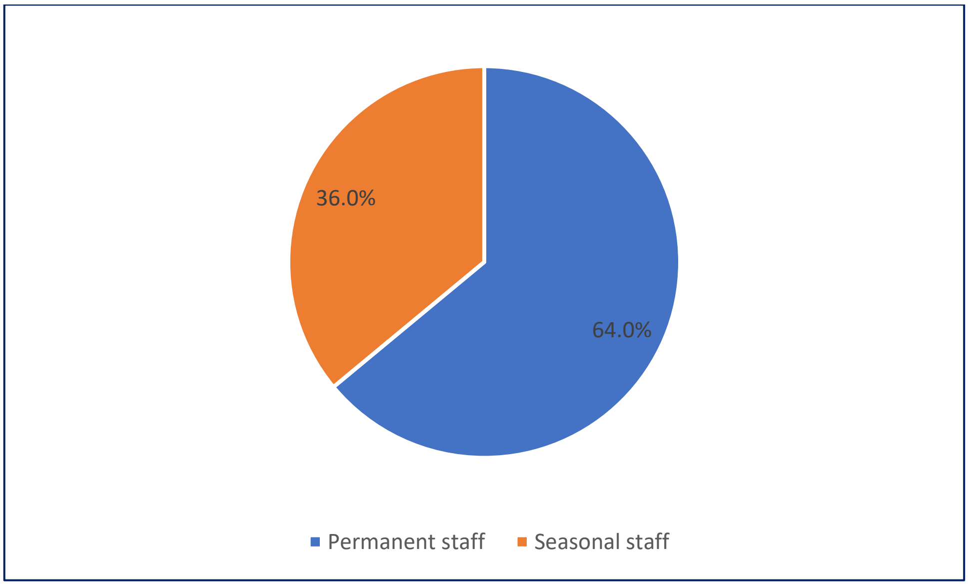
Figure 3: Working modes



Base: 58 respondents. Source: Pye Tait Consulting 2020.

Of seasonal workers, around 28% are typically returning staff, rather than new recruits.

Figure 4: Proportion of permanent and seasonal staff



Base: 58 respondents. Source: Pye Tait Consulting 2020.

2.2 Workforce residency, ethnicity, gender, age

Residency

Of the sub-sector's permanent employees, 66% are UK citizens, 31% are EU citizens (non-UK) and 3% are non-EU citizens.

Ethnicity

In terms of ethnic origin, the workforce is predominantly of British origin (50%) or other white backgrounds (44%). These figures include seasonal workers. Of those from outside the UK, most are from Poland (45%) and Bulgaria (35%).

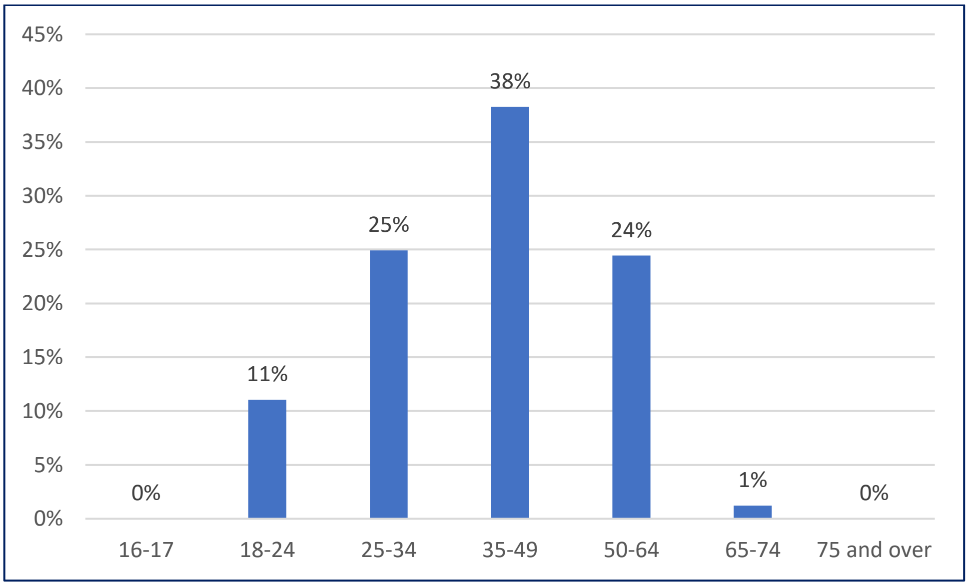
Gender

The sector's permanent workforce is 54% male and 46% female.

Age

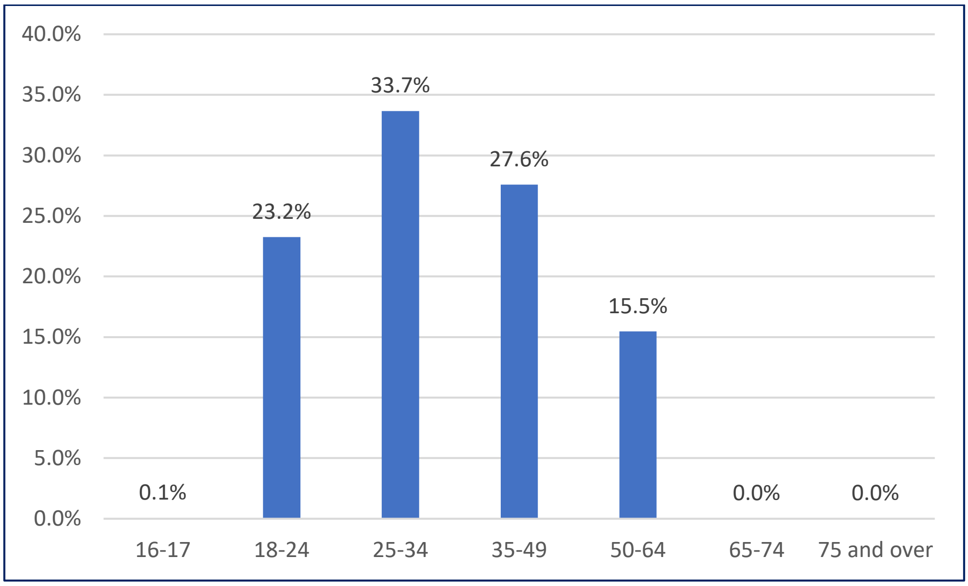
The figure below shows the workforce age profile of permanent and seasonal workers in the sector. The average age of permanent staff is 40.6, and the average age of seasonal staff is 35.2, compared to the UK national average of 41.5 years.

Figure 5: Workforce age profile – Permanent staff



Base: 58 respondents. Source: Pye Tait Consulting 2020.

Figure 6: Workforce age profile - Permanent Staff

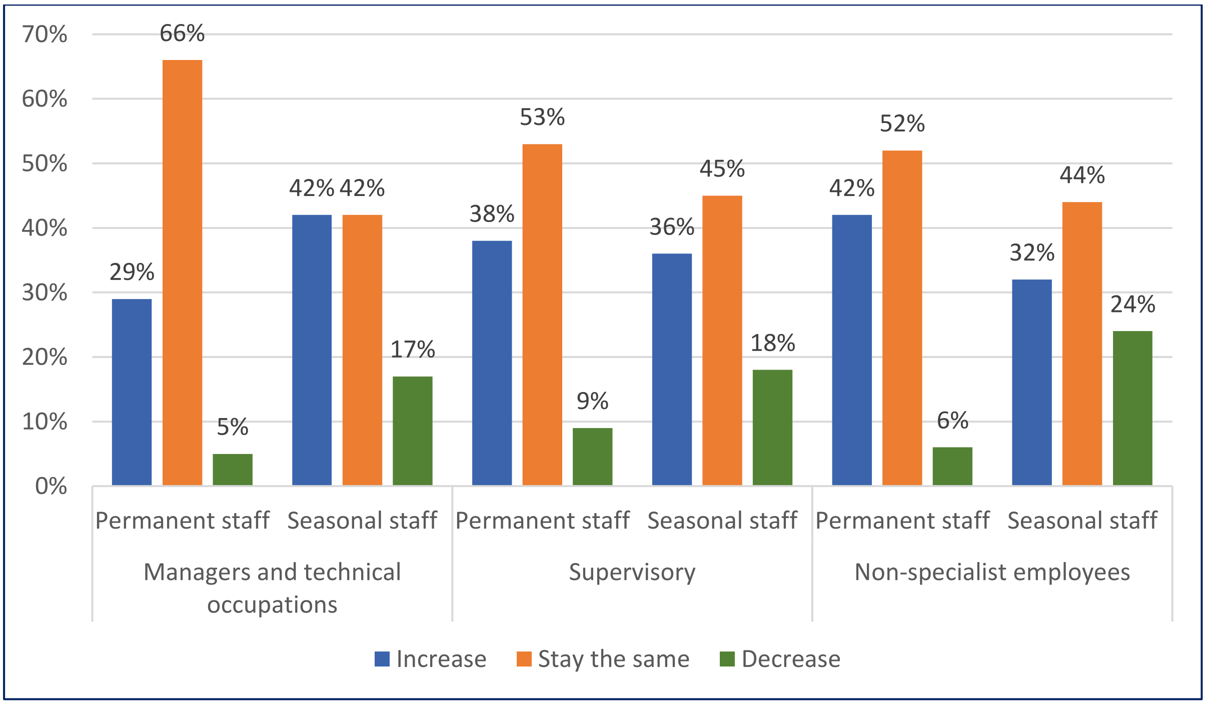


Base: 58 respondents. Source: Pye Tait Consulting 2020.

2.3 Workforce projections

In general, the majority of respondents foresee that demand for permanent and seasonal roles at all levels will either stay the same or increase. Almost half of respondents (42%) anticipate an increase in demand for seasonal managerial/technical occupations and for permanent non-specialist roles.

Figure 7: Anticipated change in demand for roles



Base: 142 (permanent) and 48 (seasonal) responses, multiple options could be selected. Source: Pye Tait Consulting 2020.

3. Labour and skills challenge

3.1 Vacancies

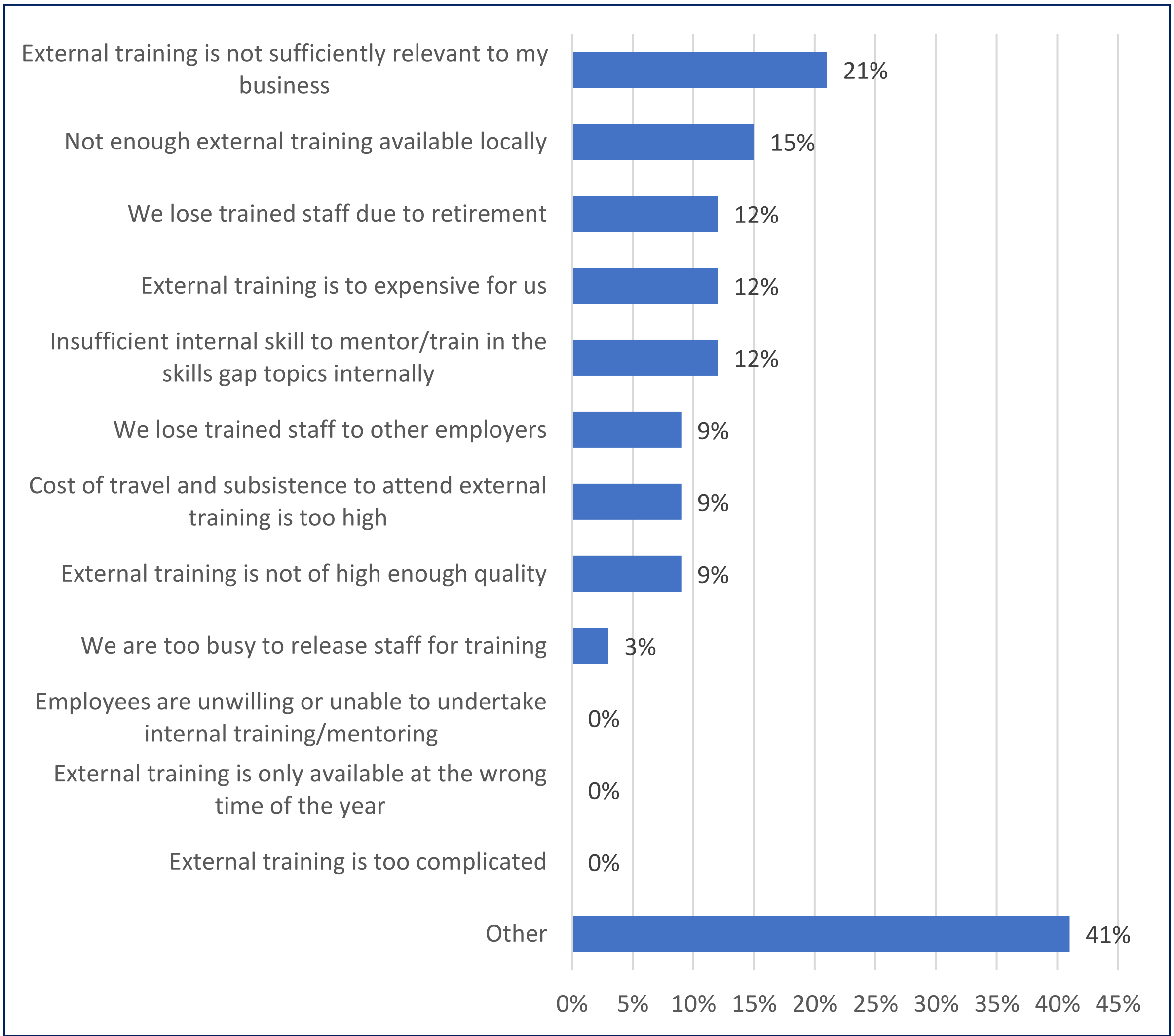
Respondents were asked how many vacancies they had had over the past year. Businesses report an average of eight managerial and seven supervisory vacancies on average per company, although only a fifth of responding businesses report such vacancies. In addition, eight companies (around one in seven) reported vacancies for seasonal workers over the past year, with each of these companies reporting an average of 113 seasonal vacancies.

Companies were also asked if any vacancies had been particularly difficult to fill. Of the 24 companies who had experienced difficulties in recruitment, 14 noted that managerial positions were hard to fill, nine noted that supervisory positions were difficult to fill, and 16 that seasonal worker positions had been hard to fill.

3.2 Reasons for skills gaps

Companies were asked for reasons why they perceive that skills gaps exist among their workforce. A broad range of reasons were provided, with external training not being sufficiently relevant to the business most commonly mentioned by one in five respondents (21%). A lack of training available locally was also mentioned by around one in six respondents (15%).

Figure 8: Reasons for skills gaps



Base: 34 respondents, multiple options could be selected. Source: Pye Tait Consulting 2020.

3.3 Skills scoring

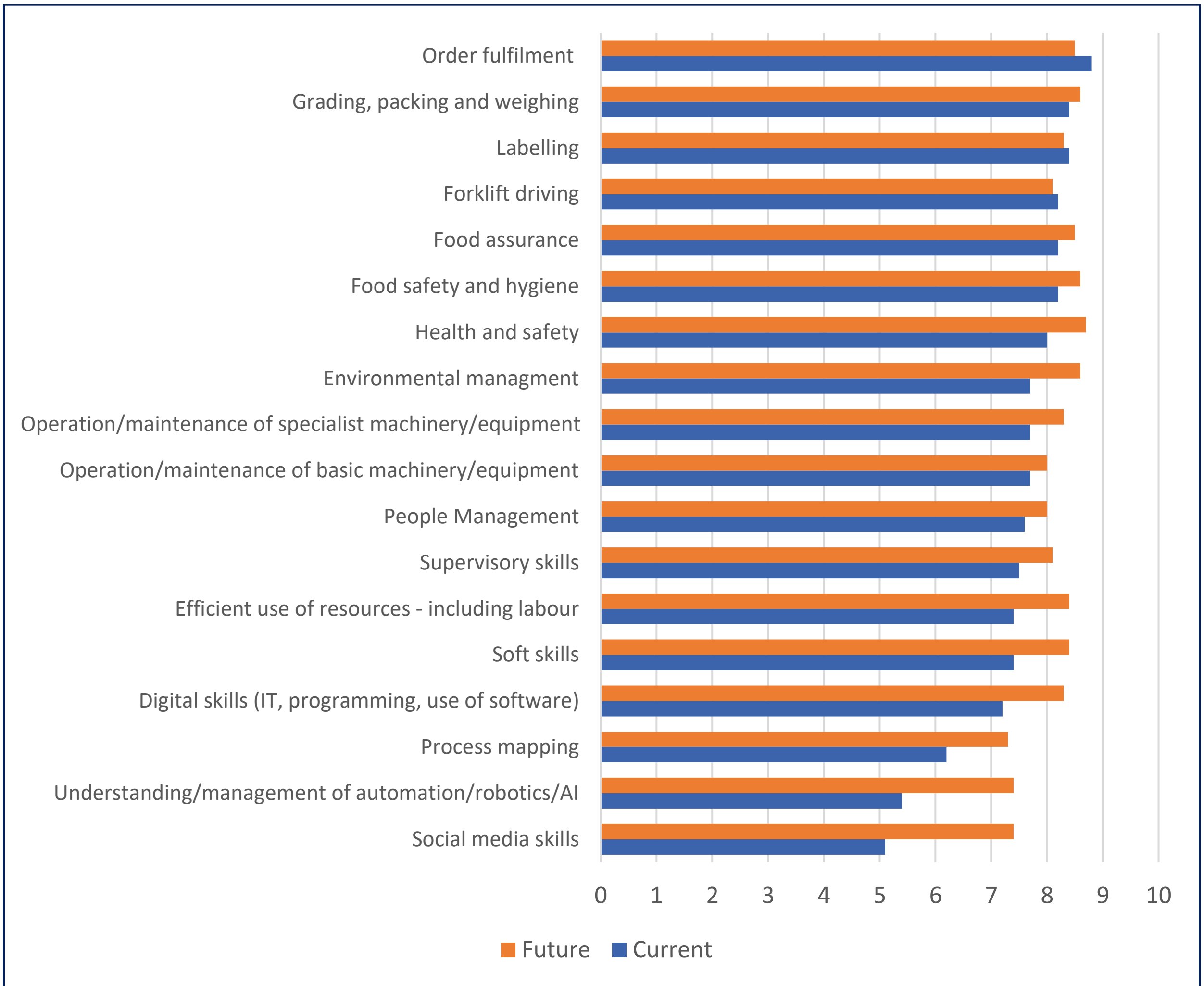
As a key component of the skills survey, respondents from all sub-sectors were asked to score the current level of skills for two job-role groups (managers, technical or specialist occupations, and seasonal and/or agency workers) on a scale from 1-10 – where one is the lowest score and ten the highest.

Respondents were also asked to assess the future need for such skills from 1-10, with 5 meaning that the importance of the skill will stay the same.

These rankings were then analysed for this report using a skills scoring method and the following figures show the results of the skills scoring exercise. Overall, almost all soft and technical skills are set to increase in importance, sometimes significantly, and particularly for seasonal workers.

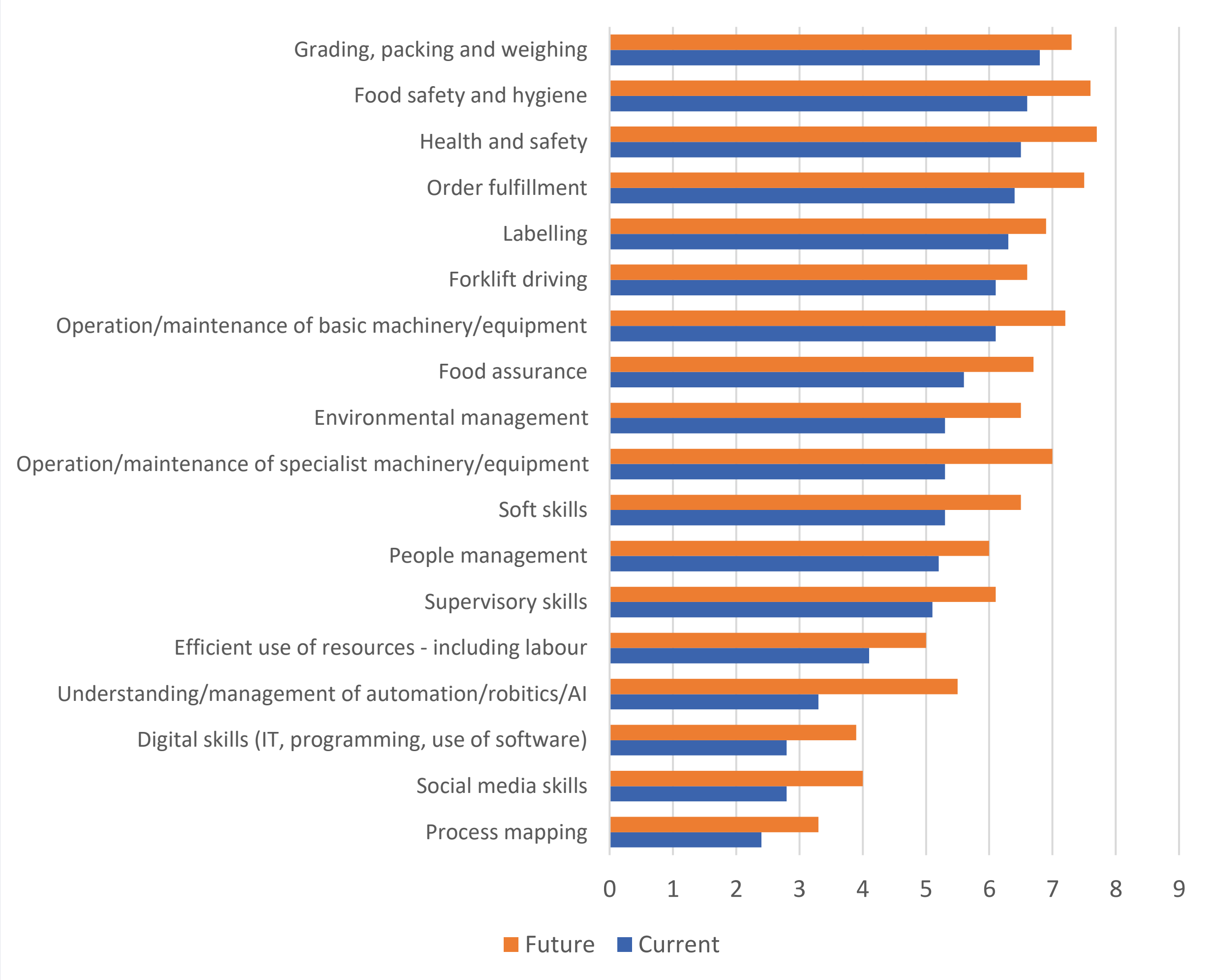
The scoring of the current importance of skills and predictions of future importance were entirely based on employers' perceptions of both.

Figure 9: Current skill level, and predicted future importance (managerial, technical, specialist occupations)



Base: 11 to 76 respondents. Source: Pye Tait Consulting 2020.

Figure 10: Current skill level, and predicted future importance (seasonal/agency workers)



Base: 11 to 75 respondents. Source: Pye Tait Consulting 2020.

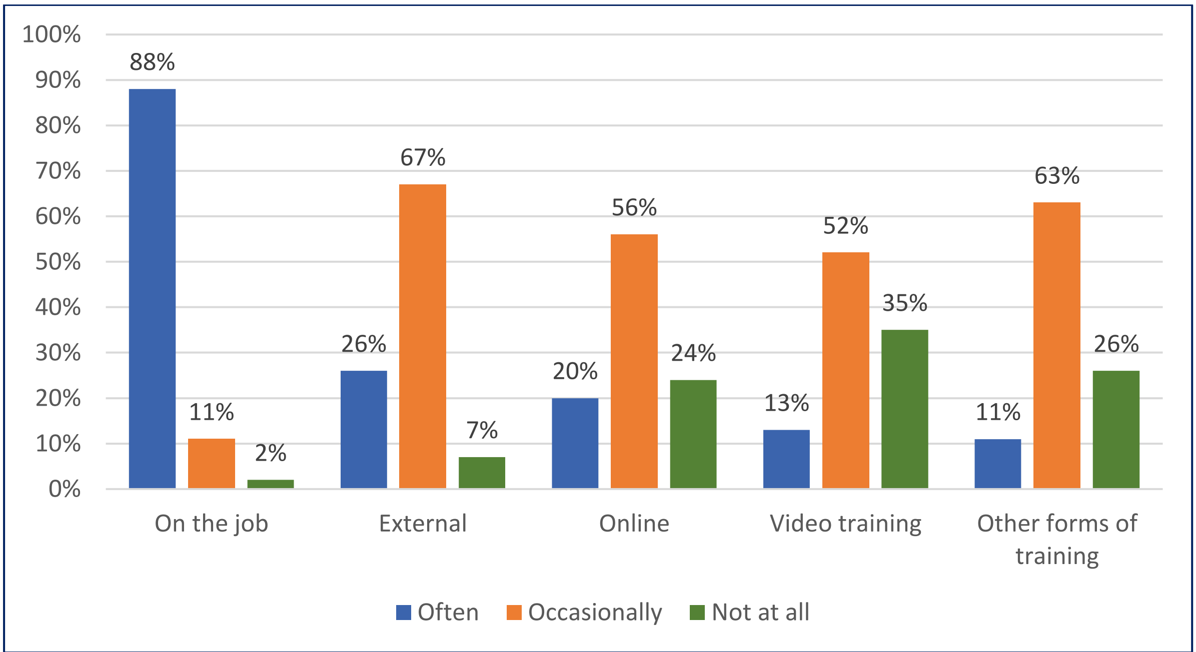
4. Workforce training, education, and staff development

4.1 Training

We asked employers what they typically do when it comes to training, both for their permanent and for their seasonal staff.

For permanent staff, in-house training (such as internal training courses, mentoring, etc.) is commonly used, with over five in six (88%) firms stating this method is used often. External training (at colleges or other training providers) is used often or occasionally by over 90% of businesses. Over half of companies state that they use online (56%) or video training (52%) for permanent staff occasionally.

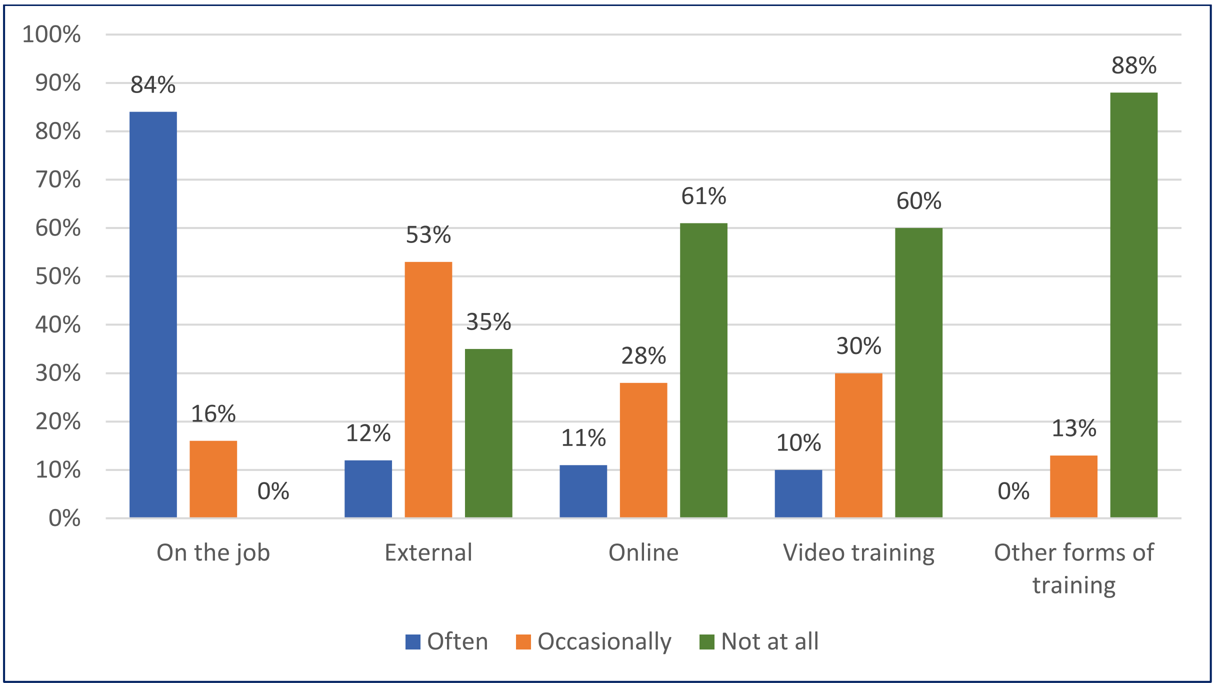
Figure 11: Types of training undertaken (permanent staff)



Base: 38 to 56 respondents. Source: Pye Tait Consulting 2020.

For seasonal staff, all responding companies use in-house training with the majority (84%) stating they use this often. External training is occasionally used by around half of responding companies. Alternative forms of training are much less commonly used, with over half of companies stating they never use online, or video training for seasonal staff.

Figure 12: Types of training undertaken (seasonal staff)



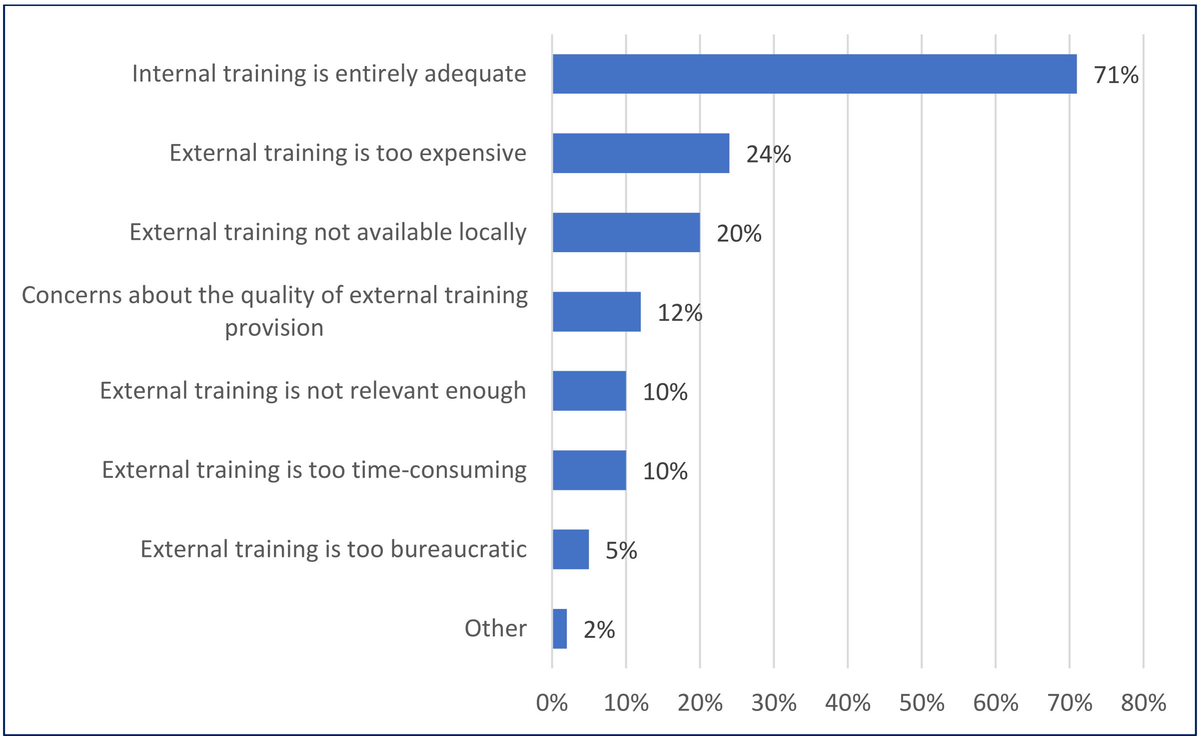
Base: 16 to 25 respondents. Source: Pye Tait Consulting 2020.

Just under half of employers (43%) in the sector told us that some of their staff are qualified as trainers, while around a fifth (19%) told us that some staff are qualified either as verifiers or assessors. Of these organisations which such staff, there are on average 2.8 trainers, 2.0 verifiers, or 3.3 assessors per company.

Businesses were asked their reasons for choosing not to use any external training available to them. Over two thirds of responding firms comment that their own internal training is entirely adequate (71%), while around a quarter perceive external training to be too costly (24%) or note that it is not available locally (20%).

In instances where businesses do use external training providers to upskill their workforces, these employers were asked whether they or their employees access funding to help pay for this training. The majority (59%) 'never' access such funding, while 23% do so 'sometimes' and the remaining 18% are unsure in this regard.

Figure 13: Reasons for not using external training



Base: 41 respondents, multiple options could be selected. Source: Pye Tait Consulting 2020.

4.2 Apprentices

Apprentices and trainees constitute a small part of the workforce. Just over a fifth of companies (21%) report having apprentices or trainees, and the average number of apprentices/trainees within each of these businesses is 2.5. Overall, apprentices/trainees represent 0.3% of the total employment in the packhouse activities sub-sector.

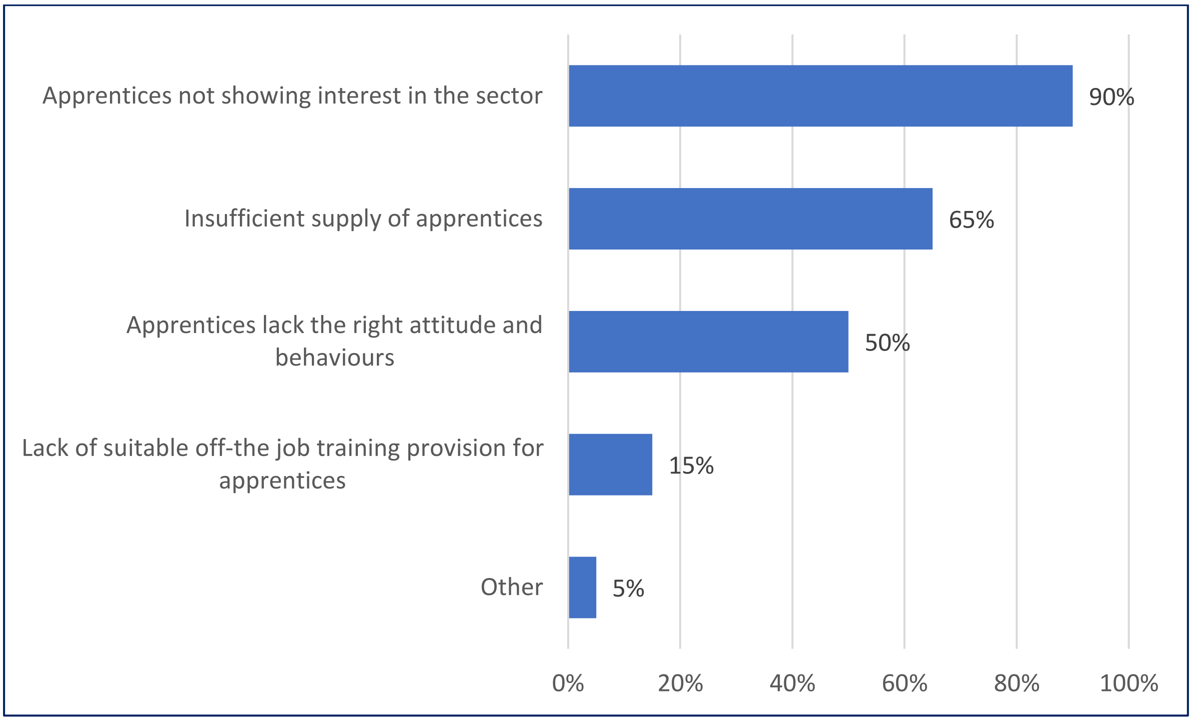
Companies were asked about the number of apprentices they had taken on, and expected to take on, each year in the period 2018-2022. However, few companies responded to this question and so the figures reported in the table below should be treated with caution.

Table 1: Apprenticeship starts per year

	No. of responding companies	Total apprentices	Average
2018	3	7	2.3
2019	4	44	11.0
2020	2	32	16.0
2021	6	37	6.2
2022	2	2	1.0

Given the number of apprenticeship starts per company in the sector, it is worth assessing relevant barriers for employers in recruiting apprentices. The most common barrier mentioned by the vast majority of respondents (90%) is that apprentices are not showing an interest in the sector. Over half of companies note that there is an insufficient supply of apprentices (65%) or that apprentices lack the right attitude and behaviours (50%).

Figure 14: Barriers to recruiting apprentices



Base: 20 respondents, multiple options could be selected. Source: Pye Tait Consulting 2020.

4.3 Apprenticeship Levy

The Apprenticeship Levy was introduced in 2016 and came into law in April 2017. The Apprenticeship Levy obliges employers with a payroll over £3 million each year to pay a set proportion into a government fund specifically designed to pay for apprenticeships. Levy-payers are then entitled to receive funds paid into the levy in order to fund apprenticeship training at their company.

The majority of companies in this sector (81%) do not pay the apprenticeship levy. Of the small number of companies which told us that they do pay the levy, there is a split between those who believe it has a positive impact (20%) or a negative impact (30%) on their business, while half are unsure of the levy's impact (50%).

4.4 T Levels

T Levels are new qualifications which are being introduced from September 2020. These are technical courses intended to be equivalent academic A level qualifications. T Levels are two-year courses which will offer students a mix of classroom learning and on-the-job training during an industry placement of 45 days. The first three T Levels will be available in September 2020 in construction, digital, and education, with seven more courses beginning the following year. A T Level in agriculture, land management and production is set to start in September 2023.

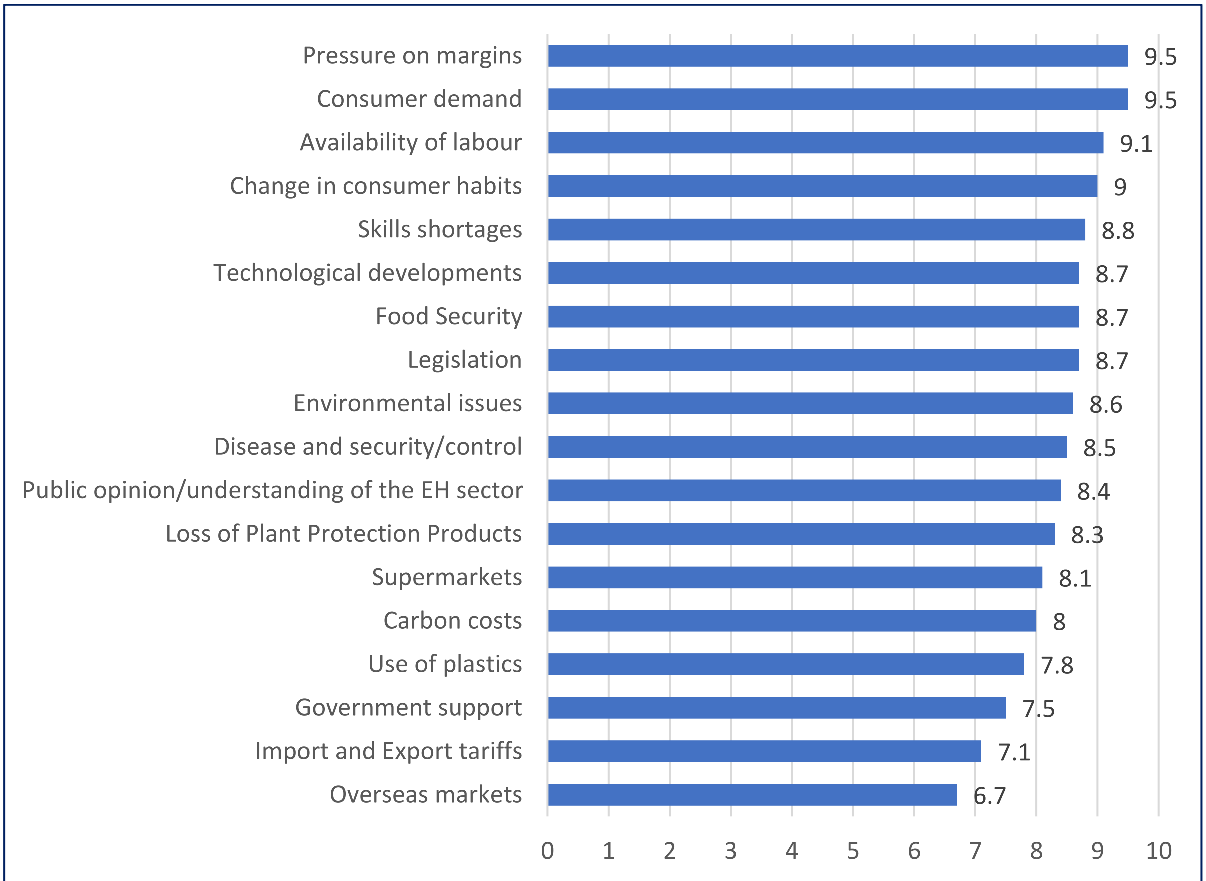
The vast majority of companies in the sector (89%) are unaware of this T Level qualification which is to be introduced by the Department for Education in 2023.

5. Future drivers of change

To provide information on their future outlook of the sector, businesses were asked to rate the most important drivers of future change from their perspective on a scale from 1 (not important) to 10 (very important).

The drivers of change perceived to be most important are pressure on margins, consumer demand (both 9.5) and availability of labour (9.1). These top three reasons are the same across most EH sub-sectors, with some variation in order.

Figure 15: Drivers of change



Base: 47 to 56 respondents. Source: Pye Tait Consulting 2020.

6. Summary

Workforce demographics

- The sector is largely made up of small and medium businesses (67%).
- Most workers in the sector (73%) are non-specialist employees. The average age of permanent workers in the sector is 40.5 compared to 35.2 for seasonal workers.
- Most workers are of British origin or 'other white' ethnic background, with most of these workers predominantly from Poland or Bulgaria.

Workforce projections

- Demand for occupations is anticipated to remain largely the same or to increase in the coming years, with an increase predicted particularly for seasonal managerial/technical occupations and for permanent non-specialist roles.
- Around a fifth of companies taken on apprentices/trainees in any given year. Companies with apprentices/trainees have, on average, 2.5 such staff, and overall comprise 0.3% of the sector workforce. The most commonly mentioned barrier to recruiting apprentices, by 90% of businesses, is a lack of interest in the apprenticeships.

Skills

- Skills scoring reveals that almost all soft or technical skills are set to increase in importance in the future, sometimes significantly, particularly for seasonal workers.
- Skills gaps in the workforce are believed to exist for a variety of factors. Most commonly mentioned was that external training does not meet business needs (21%).

Training

- On-the-job training is the most popular method of training both permanent and seasonal staff; external training is utilised occasionally by over half of firms, and similar numbers use online and video training for permanent staff. Businesses not using external training do so as internal training meets their needs (71%). Where businesses do use external training, the majority never access funding (59%) for upskilling.

Education

- Most companies in the sector (81%) do not pay the apprenticeship levy.
- Most companies in the sector (89%) are unaware of the T Level qualification being introduced in 2023.
- Degree level qualifications or higher (level 6+) are believed to be essential for plant breeder/geneticist roles by just over half of employers (53%), for soil scientists (48%) and agronomists (33%). A degree is believed to be not important for the other given roles.

Future drivers

- Businesses in the sector foresee that the most important drivers of change in the future are pressure on margins, consumer demand, and availability of labour.