

Department for Environment, Food and Rural Affairs

Food and Drink Sector Council

## Summary of meeting, Monday 1 July 2019

### **Attendees**

Judith Batchelar - Sainsbury's

Minette Batters - NFU

Gavin Darby

The Rt Hon. John Gummer, Lord Deben - Sancroft

Iain Ferguson (Co-chair) - Stobart Group Ltd.

Sir Peter Kendall - AHDB

Dame Fiona Kendrick

Andy Richardson - Volac

Ian Wright - Food and Drink Federation

Nick Whelan - Dale Farm

Julian Hunt - Cola-Cola (Stand in for Leendert den Hollander)

Kate Nicholls - UKHospitality (Stand in for Nick Varney)

Liz Quigley - AB Foods (Stand in for George Weston)

### **Apologies:**

Graham Hutcheon (Edrington), Cassandra Stavrou (Propercorn), Nick Varney (Merlin Entertainments) Jo Whitfield (Co-op Food), George Weston (AB Foods), Leendert den Hollander (Coca-Cola) Ursula Lidbetter (Greater Lincolnshire LEP)

### **Supporting council members:**

Ian Mace - ABF

Tom Hind - AHDB

## **Secretariat:**

Ian Rayson - Nestlé UK & I

Dean Gargano - Nestlé UK & I

Caroline Keohane - Food and Drink Federation

Angela Coleshill - Food and Drink Federation

Jonathan Back - Agri-Food Chain Industrial Strategy, Defra

Clare Whittaker - Agri-Food Chain Industrial Strategy, Defra

Christopher Todd - Agri-Food Chain Industrial Strategy, Defra

## **Government:**

The Rt Hon. Michael Gove - Secretary of State for Environment, Food and Rural Affairs  
(attended part of the meeting)

David Rutley MP - Parliamentary Under Secretary of State for Food and Animal Welfare  
(attended part of the meeting)

Henry Dimbleby - Lead Non-Executive Director, Defra (attended part of the meeting)

David Kennedy (Co-Chair) - Director-General for Food, Farming and Biosecurity, Defra

Alison Ismail - Acting Director for Agri-Food Chain Directorate, Defra

Deb Hankins - Deputy Director for Agri-Food Chain Directorate, Defra

Tim Mordan - Deputy Director, Agri-Food Chain - Innovation, Productivity & Science

Ananda Guha - Deputy Director for Exports and EU Exit, Defra

Maggie Charnley - Assistant Deputy Director: Farming Productivity and Innovation

Bal Dhoot - National Food Strategy, Defra

Jonathan Hoare - Deputy Head of Agritech, Bioeconomy, and Chemicals, BEIS

Michelle Gillen, DiT - Deputy Director Food, Drink and Sports, Exports and Inward investment, DiT

Paul Regan - Head of Immigration Policy, Immigration and Border Policy Directorate  
(attended part of the meeting)

Jen Brown - Head of Adult Skills and Industrial Strategy. DfE

## **Introduction:**

The co-Chairs opened the meeting and made the following points:

- It is good to see working groups presenting reports. Bringing the industry together and setting out ideas for improving productivity is very much the purpose of the Council.
- This is the sixth Council meeting and after 18 months of operation it is timely to take stock and review how the Council is working. With this in mind a workshop is planned for the end of the summer. This will consider the way the Council currently functions and options for the future.
- The ultimate aim must be to build the Council into the 'infrastructure' of how Defra and the industry operates. As part of this the Council should be a two-way gateway through which industry talks to Defra and engages with other departments and vice-versa.

## **EU Exit preparations:**

The Council was provided with an update on EU Exit. Government continues to prepare for all scenarios and in doing so recognises the critical nature of the food and drink sector. The support of the industry is much appreciated and is vital to understand the implications of a no deal exit at the end of October and what might be done to mitigate against these. Work is based on key planning assumptions linked to aspects such as the flow of goods through Dover and a 'reasonable worst case scenario' in terms of food supply.

Council members highlighted the added pressure the build up to Christmas will put on supply chains and the potential impact of border controls and tariffs. This was a particular concern for Northern Ireland.

## **Workstream report presentations:**

The co-Chairs welcomed Defra Secretary of State Michael Gove and Parliamentary Under Secretary of State for Food and Animal Welfare David Rutley.

## **Agricultural productivity:**

Sir Peter Kendall presented the Agricultural Productivity working group (APWG) report to the Council. This was based around five recommendations and some 150 people and multiple organisations had been involved in its development. The aim of the report was to mobilise and enthuse the industry to ensure the sector is competitive and that when making productivity gains better use is made of our natural resources. A key area was benchmarking, which was seen as an essential business tool, yet was used by a minority

of businesses. The need for a single hub – to demonstrate ‘what works’ – was also highlighted.

In commenting, members made reference to the recent announcement committing to net zero UK carbon emissions by 2050. This should be seen as a game changer and with the right evidence base the UK could be a global leader in agricultural productivity. The critical importance of data was noted, however this was not just about quality but also how the data was utilised and whether it led to change. On ‘what works’ the challenge was not just about content, but also who was best placed to initiate the exchange of knowledge.

In concluding, Sir Peter asked Council members to provide feedback on the report.

## **Workforce and skills:**

Dame Fiona Kendrick and Ian Mace (ABF) gave an update on the activities of the Workforce and Skills working group. A formal report will follow, with the presentation outlining emerging recommendations. The group had sought to look across the whole value chain with the aim to develop a ‘single version of the truth’ on the skills and workforce issues faced by the industry. The work of the group was underpinned by analysis of official government data and industry insights obtained through a food chain survey and interviews.

Key areas highlighted included: the uptake of apprenticeships and the use of the apprenticeship levy in the industry; the potential of T- levels, not least in demonstrating to young people the great jobs available in food and drink; and a lack of providers of food-related training in certain parts of the country. The need to train up the leaders of tomorrow – there were a lot of ‘accidental’ managers in the industry – was also mentioned.

Discussion highlighted the complexity of the skills and workforce landscape, with comment made that it would be interested to see whether any lessons could be learnt from other industry sectors. Similarly was there anything that could be taken from how other countries had dealt with food and drink skills and workforce issues.

## **National food strategy:**

Henry Dimbleby, Lead Non-Executive Director at Defra, updated the Council on the National Food Strategy. He thanked those who had supported the launch of the independent review on 27 June, highlighting that he wanted the development of the plan to be as open, engaging and consultative as possible. The Food and Drink Sector Council was seen as a key player and engagement was foreseen in two ways; formal meetings and the direct involvement of some Council members. Members were asked to let Henry know if there was anyone they thought the Food Strategy Team should definitely speak to. In commenting, members recognised the importance of effectively managing the input of the Council into the strategy. There would be many different views so good preparation was essential to help Henry and his team.

The co-Chairs thanked Michael Gove and David Rutley who left the meeting.

## **Home Office update: Skills-based immigration system:**

Paul Regan, Head of Immigration Policy at the Home Office, provided an update on the December 2018 white paper setting out plans for a new single, skills-based immigration system.

The system outlined in the white paper would come into effect on 1st January 2021, regardless of whether there was a deal or no deal come 31 October 2019. The principles underpinning the system were: free movement will end, the referendum result will be respected, there will be a single system encompassing all nationalities, not all nationalities will be treated the same as we will differentiate on risk and/or trade deals, and the emphasis will be on talent and skills. There will be a new route for skilled workers, which expands the skills threshold to include intermediate skills (RQF 3+). There will also be a new route for temporary workers, available to those of any skill level for a maximum of 12-months (followed by a 12-month cooling off period), which will remain in place until 2025.

In commenting, Council members highlighted that the system as outlined would cause significant problems for the food and drink sector. Members were encouraged that the Migration Advisory Committee (MAC) was looking again at the proposed £30,000 salary threshold for skilled workers. However, there was a general concern that the MAC had not fully understood the implications for the sector should the system as outlined be put in place.

Council members were keen to have further engagement with the Home Office on the issue of immigration. To support this it was agreed to produce a short document outlining the Council's key concerns and the particular challenges for the sector.

## **Funding alignment:**

Andy Richardson (Volac) gave an overview of plans for a new "task and finish" project. This would look to ensure that any funding requests fed through the Council were commensurate with its activities, aims, and objectives. Balancing these against government aims and objectives – across the whole of the UK – for research.

Council members confirmed their support for the project. Andy will work with Defra officials to scope the work, with the aim of presenting findings back to the Council towards the end of the year.

## **Final comments and close**

Iain Ferguson and David Kennedy thanked everyone for coming and contributing to the meeting. The next meeting of the Food and Drink Sector Council is to be held on 15 October 2019.