

FDF Scotland response to Scottish Government Consultation on [Making Scotland's Future: A Recovery Plan for Manufacturing](#).

The Scottish Government is consulting on priorities to support Scotland's manufacturers to rebuild and recover from the covid-19 pandemic. The manufacturing recovery plan focuses on four priority areas: collaboration and networks, supply chains and competitiveness, adaptation and transformation, and skills and workforce.

Actions include:

- developing a manufacturing start-up accelerator, drawing on international best practice, to get more investment into new or early stage companies
- supporting inward investors to create new supply chain opportunities for Scottish manufacturers
- providing funding and support to help more manufacturing companies make the shift to digital solutions and low carbon practices that reduce costs and increase profits
- developing a skills programme that will help workers reskill or put their transferable skills to use in other parts of the manufacturing sector

<https://consult.gov.scot/economic-development/a-recovery-plan-for-manufacturing/>

FDF Scotland's response is below:

Question 1: The following proposals are designed to leverage Scottish manufacturing capacity and promote collaboration across the manufacturing sector in the UK and beyond. These also focus on connecting companies and building networks to stimulate demand for investment, encouraging collaboration for success, including support for SME's and manufacturing start-ups and enabling the sharing of best practice.

- Build a **programme of activity designed to stimulate demand for investment** in manufacturing small and medium-sized enterprises (SMEs) through the development of stronger business cases. This will involve a Manufacturing Investment Forum for bringing the manufacturing and investment communities together. It will also involve the more widespread promotion of tools and resources available to help SMEs win external funding.
- Develop a **manufacturing start up accelerator facility** in Scotland drawing on international best practice and linking with Scotland's wider entrepreneurial system. This will cater for the fact that manufacturing companies can have significant early stage capital investment requirements.
- Build a **programme of activity to increase the use of external funding** by Scottish manufacturing, including City and Growth Deals, UK Sector Deals, UK Industrial Strategy funds and other competitions. This will involve shaping and raising awareness of new opportunities at the UK level, increasing participation from industry in Scotland and influencing the success of bids.
- Promote **collaboration between companies around sharing resources, costs and risks**, including bidding jointly for contracts, sharing facilities and

equipment, and joint approaches to exporting and marketing. This will involve the consideration of cooperative business models.

- Build a **programme of international collaborations**, leading to increased levels of manufacturing-related research funding and international trade and investment.

1(b). Looking at these five actions, in your opinion, is there anything that the recovery plan partnership can do to help ensure the success of these proposals?

Manufacturing Investment Forum - further detail on how this would work in practice would be welcome. Bringing together a group of commercial investors and businesses together may prove to be too commercially sensitive to discuss within an open forum. An alternative to consider could be a matchmaking service accessed through an online portal such as <https://findbusinesssupport.gov.scot>

Increasing the use of external funding We recognise the challenge with Scottish food and drink businesses accessing UK funding. As a membership organisation that covers Scotland, England and Wales, the FDF promotes such opportunities to our members. This can be through member updates or on a one-to-one basis where we identify opportunities that may be specific to individual members or subsectors within our membership.

Many Scottish support organisations that contact our members have particular funds or projects that they are promoting. The “no wrong door” approach by the Scottish business support agencies needs to be more effective at signposting to alternative sources of support; both outwith their own organisation/projects and beyond Scotland.

Collaboration between companies around sharing resources, costs and risks
There is already a good level of collaboration within the food and drink supply chain in Scotland but there is a definite opportunity to help businesses to bid jointly for contracts.

1(c). Can you, or your organisation, help and play a part in any of these five actions to support this national endeavour? If so, please provide detail.

The FDF represents over 800 food and drink companies across the UK. In Scotland, we represent both members who manufacture in Scotland and members who sell to the Scottish market. We are well placed to promote funds and support to members, filtering the opportunities and promoting relevant ones to our members.

We will continue to do this but it can be a challenge to track everything that is live at any one time. Creating a true “one stop shop” e.g. <https://findbusinesssupport.gov.scot> to list both Scottish and external business opportunities for manufacturing would be very helpful.

Question 2: Adapting to change

The following proposals are designed to focus on a green recovery through low carbon/net zero ambitions and build on opportunities to help businesses to see the

benefits of digital adoption and move towards more a more technologically enabled future. These also aim to enable manufacturers to be more resilient and thrive in the new economic context by building Scottish capacity through enhancing and developing new collaborative clusters.

- Any Scottish company looking for public sector assistance for digital transformation should be accredited to a minimum standard of Cyber Essentials (as outlined in Scottish Government guidance) to protect themselves against common online security threats by no later than 31 March 2022.
- Align support mechanisms such as the Digital Development Loan, that enable companies to pilot and then implement capital modernisation solutions such as automation and robotics.
- Build on expertise gained through existing Scottish clusters, such as the Scottish manufacture of PPE, and develop new clusters. The focus should be on building and onshoring new supply chains and encouraging clusters to undertake collaborative environmental and digital transformations.

2(b). Looking at these three actions, in your opinion, is there anything that the recovery plan partnership can do to help ensure the success of these proposals?

Cyber Essentials – According to the Scottish Government¹, the cost of gaining Cyber Essentials accreditation is between £300-£1000. For most businesses, this will not be overly burdensome but the businesses that might need it most are likely to be micro or start-up businesses where cash flow is challenging and even minimal additional costs will have an impact.

We are supportive of the above – the recovery plan partnership needs to reach out to a wide range of stakeholders like ourselves to ensure initiatives such as the minimum standard of Cyber Essentials and the Digital Development Loan are well publicised.

Scottish Clusters – The covid-19 pandemic has massively accelerated the use of online video conferencing and collaboration tools. In many instances, this will make “clustering” much easier as it means businesses will not have to be geographically close.

2(c). Can you, or your organisation, help and play a part in any of these three actions to support this national endeavour? If so, please provide detail.

See our answer to question 1c.

Question 3: Focusing on workforces

The following proposals in are designed to develop the skills needed for an agile and resilient workforce, promoting fair and collaborative models of leadership, upskilling and reskilling, and support for graduates and apprentices. These also focus on responding to the needs of integrating with new technologies and addressing the emerging skills shortage.

¹ <https://www.gov.scot/publications/scottish-public-sector-supplier-cyber-security-guidance-note/pages/2/>

- Through NMIS and the Manufacturing Skills Academy provide innovative and agile skills interventions to enable employers to respond to the emerging needs of new technologies and workplace practices, supporting businesses and creating higher skills provision for individuals.
- Develop a skills partnership programme to support regional and cluster development, to promote collaborative models of workforce and leadership, and to develop and foster agile communities of practice to support Fair Work and deliver future skills requirements.
- Establish fast-track employment models to address emerging skill shortages and jobs growth.
- Initiate actions to mitigate the debilitating impact of graduate unemployment, creating meaningful work experience, education, training and employment opportunities across the manufacturing sector to optimise graduate talent.
- In partnership, develop learning experiences to promote and enhance commercial awareness, foster enterprising behaviours and encourage progressive leadership practice within our manufacturing sector.

3(b). Looking at these five actions, in your opinion, is there anything that the recovery plan partnership can do to help ensure the success of these proposals?

The priority for the recovery plan partnership should be to communicate, promote and raise awareness of the above. A large part of the communications should focus on removing the “fear factor” for businesses looking to implement changes and simplifying communications about the support landscape.

Signposting individual businesses but also ensuring that intermediary organisations such as enterprise agencies and trade associations is vital to ensure as many businesses as possible understand and can easily access support for manufacturing.

If the partnership can facilitate learning journeys and carry out and disseminate horizon scanning relating to manufacturing, this would be welcome.

3(c). Can you, or your organisation, help and play a part in any of these five actions to support this national endeavour? If so, please provide detail.

The Scotland Food and Drink Skills Partnership is a sub group of the Scotland Food and Drink Industry Partnership. The group is focussed on future skills for the food and drink sector recovery from the pandemic. FDF Scotland has representation on this group and would be keen to engage with the Making Scotland recovery plan partnership and seek synergies and cross promotion of initiatives and research.

The Food and Drink Manufacturing Industry

Food and Drink Federation (FDF) Scotland represents the food and drink manufacturing industry in Scotland. We are Scotland's largest manufacturing sector,

accounting for 31 per cent of total manufacturing turnover². Our gross value added to the economy is £3.9 billion, representing 32 per cent of Scottish manufacturing value added³. We have 1,385 food and drink manufacturing businesses, employing 47,000 people, which represents 26 per cent of the Scottish manufacturing workforce⁴. In 2018, manufactured food and drink exports from Scotland increased by 8 per cent to £7.0billion⁵.

The Food and Drink Federation (FDF) is the voice of the UK food and drink manufacturing industry, the largest manufacturing sector in the country. Our industry has a turnover of more than £105billion, which is almost 20 per cent of total UK manufacturing, and Gross Value Added (GVA) of more than £28billion. Food and drink manufacturers directly employ over 430,000 people across every region and nation of the UK. Exports of food and drink make an increasingly important contribution to the economy, exceeding £23billion in 2019, and going to over 220 countries worldwide. The UK's 7,400 food and drink manufacturers sit at the heart of a food and drink supply chain which is worth more than £120billion to the economy and employs 4.3 million people.

The following Associations actively work with the Food and Drink Federation:

ABIM	Association of Bakery Ingredient Manufacturers
BCA	British Coffee Association
BCUK	Breakfast Cereals UK
BOBMA	British Oats and Barley Millers Association
BSIA	British Starch Industry Association
BSNA	British Specialist Nutrition Association
CIMA	Cereal Ingredient Manufacturers' Association
EMMA	European Malt Product Manufacturers' Association
FCPPA	Frozen and Chilled Potato Processors Association
FOB	Federation of Bakers
GFIA	Gluten Free Industry Association
PPA	Potato Processors Association
SA	Salt Association
SNACMA	Snack, Nut and Crisp Manufacturers' Association
SSA	Seasoning and Spice Association
UKAPY	UK Association of Producers of Yeast
UKTIA	United Kingdom Tea & Infusions Association Ltd

FDF also delivers specialist sector groups for members:

Biscuit, Cake, Chocolate and Confectionery Group (BCCC)
Frozen Food Group
Ice Cream Committee
Meat Group
Organic Group
Seafood Industry Alliance

² Source: Scottish Annual Business Statistics.

³ Source: Scottish Annual Business Statistics.

⁴ Source: Scottish Annual Business Statistics.

⁵ Source: Exports Statistics Scotland. Figures include tobacco manufacturing.