

Open Report on behalf of Keith Ireland, Chief Executive

Report to:	Environment and Economy Scrutiny Committee
Date:	30 October 2018
Subject:	Agri-food Sector Plan

Summary:

This report provides an update on the progress of the Agri-food Sector Plan. The agri-food sector plan has been produced by Greater Lincolnshire Local Enterprise Partnership, but was shaped by discussion both with industry and with the Economic Scrutiny Committee.

Actions Required:

The Environment and Economy Scrutiny Committee is invited to:

- 1) Consider the current progress being made on the Greater Lincolnshire LEP's agri-food sector.
- 2) Recommend that the Executive Councillor for Economy and Place, in consultation with the Chairman of the Environment and Economy scrutiny committee, support and endorse any bids from partners for agri-food programmes which are being led by LEP partners and which are seeking funding from central government
- 3) Recommend that officers explore the potential opportunities for Lincolnshire's manufacturing businesses to increase the level of automated products that they supply to the local food production sector.

1. Background

Significant progress has been made by in this sector. Agriculture and food production represents arguably the most important sector for the area with our farm to fork food chain totalling 24% of our workforce across over 100,000 jobs, and representing 21% of the local economy. We grow 12% of the nation's food and process 70% of the country's fish so the concentration of farming, food processing and related industries makes Greater Lincolnshire significant on a national level as well as locally to the food chain.

Back in 2014 the Agri-food Sector Plan was published to guide the development of the industry and the investments needed to double this sector's economy by 2030. Since then, much has changed and in 2017 the plan was updated to reflect the need to respond to Brexit, address the pressure from the introduction of the

National Living Wage, and to embrace the progress of new technology. The revised plan is attached as an appendix to this report.

Progress

Science and innovation

Primarily through the Single Local Growth Fund, and with additional funding from European and other funds, the LEP has been a significant enabler in the development of a specialist Centre of Excellence for the Agri-food Industry, with a focus on higher level skills, agri-tech, and food manufacturing research. The aim of this facility is to strengthen research, technological development and innovation in Lincolnshire's agri-food industry to aid competitiveness. The centre will be built on LCC land at Holbeach as part of the Food Enterprise Zone. Once complete, the centre will act as a gateway for collaboration between the university and local industry, strengthening partnerships and contributing to regional competitiveness.

Investment; food enterprise zones

The LEP was also ambitious in supporting partners to bid for Food Enterprise Zones, strengthening Greater Lincolnshire's position as a key player in the agri-tech sector, and positioning the Midlands Engine as a national leader within this field.

The development of these Food Enterprise Zones is supporting both existing agri-food businesses as well as those looking to invest and relocate to the area. Food Enterprise Zones (FEZs) will unleash food entrepreneurs, bringing together researchers, farmers, manufacturers, distributors and retailers in order to improve productivity.

The [Central Lincolnshire](#) site at Hemswell Cliff, will support the growth of the arable food sector, whilst the [Holbeach](#) location, close to the National Centre for Food Manufacturing, further builds on the national importance of this location -focusing on the high value food chain, and part of the Peppermint Park project which completed earlier this year. The third site in North East Lincolnshire is focusing on supporting growth of the existing seafood and value-added food processing cluster on the Humber.

Each Food Enterprise Zone is developing its own unique offer and is keen to support those involved in the agri-food supply chain from start-ups, growing businesses, to larger anchor companies, and to encourage and maximise on inward investment.

Advocacy

In addition to the LEP work locally, in collaboration with partners it has been making the case for the industry nationally. The LEP Chair and CEO of the Lincolnshire Co-Operative; Ursula Lidbetter MBE, was also appointed to the Food and Drink Sector Council established by DEFRA earlier this year, as the representative for all 38 LEPs across the country.

The Food and Drink Sector Council is one of several sector councils government has recently set up to advise them on how to grow important sectors. This one is

jointly chaired by industry and a DEFRA Minister and includes representatives of major food chain companies such as Coca Cola, Sainsbury's and the Stobart Group as well as the Food and Drink Federation and NFU. Seven working groups are now focused on topics such as workforce supply and skills, innovation, and trade, and will report to government in early 2019 with recommendations on how government can support the growth of the food chain.

The LEP also co-ordinates a regular meeting between DEFRA and the country's LEPs to consider food production policy. This provides the opportunity to explain the practical issues that affect the food production sector to decision makers within government, and it also provides the opportunity to hear from those decision makers about emerging policies.

Future Focus

Trade, employment, and automation

On 31st October 2018, the Food Board will host a reception at the House of Commons for the second time, to promote the issues which are critical to the success of our food industry; trade; workforce supply and skills; and infrastructure. On trade, the LEP Food Board is pushing for a free trade deal and frictionless trade with Europe at the same time as we start to build new trade links with other parts of the World.

The food chain is heavily reliant on migrant labour with over 25% of the food processing workforce currently EU migrants with some Lincolnshire businesses employing over 50% of their workforce from the EU in both food processing and distribution. The food sector will therefore be forced quite quickly, to increase labour productivity, and invest in automation, and will need a different, skilled workforce to enable this in the very near future.

More automation throughout the food chain and the need for new skills to design, install, manage and maintain automated processes is the reason that the LEP has championed the need to embrace new technology and has worked closely with local partners, notably the University of Lincoln, to support food chain technology. The University of Lincoln now has the largest agri-food robotics team in Europe and the innovative work there is testing how robots can be used to undertake repetitive manual tasks freeing staff to add more value and to focus on more complex procedures. Based on new vision technology, soft robotics - which allow robots to grasp delicate food products - and robots which work alongside humans, the development of robotics is progressing quickly.

The University working alongside the LEP, has also led the food strand of the UK Made Smarter Review published in 2017 which looked at how digital technologies will impact industry.

Automation: bids for funding

The LEP, and partners like the University of Lincoln, Bishop Burton College, etc regularly have the opportunity to bid for funding which supports the issues raised in this report. Projects might include activity like awareness raising, innovation

finance to enable businesses to acquire or co-develop new technology, financing graduate internships that enable businesses to access higher level skills, or promoting best practice.

Often the opportunity to bid for funding is of short order, and bids are often stronger if they are endorsed by partners like the county council. It would therefore be beneficial if the council were to agree a mechanism to support bids outside of the usual scrutiny committee process.

Automation: a missed opportunity?

There is plenty of anecdotal evidence that businesses in the agriculture and food production sector are automating their processes and operations. However, the anecdotal evidence also suggests that the majority of robotics which are being installed within Lincolnshire businesses are not from the area and are often from outside the UK.

The work of the University of Lincoln as described above will go some way to creating a demand for, and supply of, locally created automation. There are just a few multinational businesses who build robots, but there could be substantial opportunities for local SMEs to apply the technology to local business need and to provide follow-on support services. German SMEs, in particular, have been very successful in adopting this approach. And there may be the potential for LCC to deliver actions which would increase supply in particular and have a positive impact on economic growth. This might include undertaking research into missed opportunities, raising the profile of opportunities, and helping manufacturing businesses to innovate.

It would be useful for officers to explore this issue in some depth.

2. Conclusion

In conclusion, the agriculture and food production sector is very important to our area. Greater Lincolnshire LEP, along with partners like LCC, have done a lot of successful work to support the sector but there are other issues - such as the whole issue of automation, which merit further work.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

N/A

4. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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