

## **1.0 Worcestershire Agri-Food/Agri-Tech Sector Development Framework**

### **1.1 Context**

1.1.1 The Strategic Economic Plan (SEP) and European Structural Investment Funds (ESIF) Strategy Sector sets out the ambition and priority focus for increased growth, productivity and jobs in the Agri-Food and Agri-Tech sector. Since this strategic framework was established, extensive discussions and consultations have been held with a wide range of diverse interests across the whole sector to shape the best way forwards in realising the WLEP's ambitions.

1.1.2 The Government landscape is shifting simultaneously. At the recent WLEP Annual Conference, The Rt Hon Sajid Javid MP, Secretary of State for Communities and Local Government used his keynote speech to reaffirm LEPs as a fundamental part of the local architecture for growth. He endorsed the continued drive on delivery while recommending that the WLEP takes every opportunity to influence and shape the planned Government refresh of Industrial Strategies.

1.1.3 The shape and scope of a UK-wide Industrial Strategy, and sector specific industrial strategies, are yet to be explained but are understood in principle to:

- balance sector specific needs with broader cross-cutting objectives such as improving productivity
- steer economic growth in UK nations and regions, geographical focus
- improve access to finance and investment
- support innovation, new technologies and processes, research and development initiatives
- support trade and investment, future of UK competitiveness and exports
- support skills development, strategic focus and priorities on skills gaps
- address major challenges and opportunities presented by Brexit
- establish the degree of intervention and priorities for businesses/sectors

1.1.4 The WLEP has established a very good reputation with Government for its ambition, innovative development and leading ability to achieve effective delivery, particularly in the context of ESIF programme and project delivery. In terms of ERDF and EAFRD (Rural Development) Programmes, the WLEP has been identified as an "early adopter" leading other LEP Areas positively as well as delivering faster-paced, tangible results benefitting SME businesses. On the basis of this successful reputation, the WLEP has offered to be a locality which contributes and shapes new Government policy thinking and, in turn, future local-to-national programmes.

1.1.5 In particular, the WLEP has already volunteered to work with Defra (Policy Lead), Rural Payments Agency (Delivery), BEIS (Industrial Strategies), other LEPs and Government Departments and the industry to refresh the Agri-Food/Agri-Tech and Rural Productivity Industrial Strategies.

- 1.1.6 Defra has welcomed the WLEP's offer based on its clear ambitions, pragmatism, creativity, and successful early EAFRD Programme delivery. The WLEP area can be a pioneering practical "delivery test-bed" and work with pilot business demonstrators which fulfil Defra and WLEP sector aims as well as be at the heart of the key development period for any Government Post-ESIF national policy and programmes thinking.
- 1.1.7 Defra has an established long term Food and Farming Plan which recognises the thriving UK industry as a cornerstone of job creation and growing local and national economies. It champions technology; commits to building skills, increasing apprenticeships and bringing a new generation into the sector; encourages entrepreneurs; boosts exports (through the Great British Food Campaign) and attracts investment.
- 1.1.8 In particular, food security is important in terms of boosting UK production and securing stable food supplies, reducing reliance on imports, mitigating against price volatility and consolidate domestic and international trade. The Worcestershire sector ambition chimes with these strategic principles.

## **1.2 Worcestershire Agri-Food/Agri-Tech Sector Development Framework**

- 1.2.1 The sector in Worcestershire, and as a whole, is not one homogenous entity. It is the sum of divergent and nuanced specialist sub- sectors within which individual businesses planning increased growth and productivity can select from a wide ranging menu of options and solutions.
- 1.2.2 The sector ranges from the traditional agricultural, horticultural, forestry, food/drink processing and associated land management practices to the transformational shift being brought about by technological advancement through, for example, machine manufacturing, chemical processing, software design, satellites, drones, hydroponics and robotics.
- 1.2.3 The Worcestershire sector profile and extensive consultation therefore indicates that a shared delivery framework which recognises the diversity of the industry would be a better approach than attempting one single Sector Strategy. It is also apparent that SME business are well aware of the latest technological advancement in the UK and internationally which suits their particular needs but need help in brokering individual relationships to aid their competitive advantage and productivity.
- 1.2.4 Local businesses, and indeed the WLEP itself, are more committed to building up innovative growth and productivity through tangible projects offering high quality products and services which give individual businesses and Worcestershire a competitive edge in the industry as well as further heighten the good reputation.
- 1.2.5 The Agri-Food/Agri-Tech Sector Delivery Framework comprises a range of business-led activities underway alongside planned new targeted initiatives. It establishes a coherent framework of opportunities across the sector landscape which is spearheaded by business-led project delivery as the foundation.
- 1.2.6 It reflects the WLEP's pragmatic reputation as well as suits sector businesses in their preferences to explore applied, tailored research and innovation to boost individual productivity and business expansion plans. It provides a robust platform from which the WLEP and businesses can contribute towards Government policy development, new national programmes and cumulatively extends the WLEP's and the sector's positive profiles. The remainder of the report outlines the main foundations of the Delivery Framework which are connect together and mutually consolidate the whole approach.

### 1.2.7 Existing Business-led Sector Projects comprise:

- **Five EAFRD (Rural Development) Projects** worth £530,000 in total are directly supporting horticulture, food processing, business expansion and increased productivity in rural areas of Worcestershire.
- A **further £1.6m EAFRD (Rural Development) funding** will provide direct support to growing rural businesses especially horticulture and food processing enterprises with an opportunity to establish a new Food Festival during the next two years
- The complementary **LEADER Programme** has funded £43k small scale Agri-Food business expansion schemes in rural areas to date and anticipates a further £510k being spent in the remaining programme period
- A **specialist Agri-Food/Agri-Tech Gateway** (funded by ERDF Programme) co-ordinating industry, local and national business support to augment Worcestershire Business Central. Part of wider alliance helping the industry with three other LEPs (see Agri-Tech West Alliance below)
- A range of generic **ESF Programme funded Inclusive Growth projects** targeting sector skills development through support for the unemployed, Pre-NEETS/NEETS, employees with intermediate and higher skills, traineeships, apprenticeships, SME Leadership Succession Planning, up-skilling employees, BLF/Building Better Opportunities projects tailoring support to help socially economically excluded people develop lifelong skills,
- **Sector-specific skills development** driven primarily by Pershore College (RHS and horticulture specialist expertise) and Heart of Worcestershire College (complementary sector training packages)
- New **National Centre for Horticultural Excellence** at Pershore College (£500k match funding) from the WLEP's Skills Capital Fund/Growth Deal Round 2. This is a dedicated space tackling the current skills shortages in agriculture and horticulture which constrain the sector's growth, productivity, competitiveness in an increasingly technologically driven industry. Active industry participation, practical demonstration and shared learning will be fostered. The facility will develop small scale applications demonstrating innovation, flexibility and accessibility of technology to local growers. It will comprise an Agri-Tech applications laboratory, live field-based experimentation and demonstration facility which will provide a 'test bed' for the development of solutions for growers and demonstrate the scalability of those solutions.
- **Better Business for All** UK Regulatory Exemplar for the Agri-Food AgriTech Sector being pioneered by Worcestershire Regulatory Services with SME businesses in the "field to fork" food supply chain Aim to achieve one simplified, combined Accreditation/Self Compliance Scheme. Annual WRS Food Award Scheme and the Asian Seminar Programme (winning the National BBfA Innovation Award) simultaneously recognising high quality SME food businesses
- **Individual Commercial Innovative Projects** include the major Vertical Farm proposal and exploration of a Food Technology Zone in North Worcestershire, both of which are undergoing substantial confidential discussions and development at present

### 1.2.8 Wychavon District Council is leading a partnership and public consultation to develop a **Local Development Order (LDO) and, ultimately the Food Enterprise Zone, on Vale Park, Evesham**. The adoption of the South Worcestershire Development Plan (SWD) will confirm the LDO. There is a significant presence of food processing, packing and distribution on Vale Park. The long term ambition includes:

- expansion of existing business operations
- securing new investment
- a training presence incorporating syllabuses, involving Pershore College (horticultural specialism) and Heart of Worcestershire College
- greater supply chain presence including agricultural engineers, food testing, product development and logistics
- provision of nursery/crèche facilities for the workforce (major issue for Vale workers)
- streamlined and supportive business-facing planning and regulatory experiences which help existing businesses, attract inward investment and generate business growth
- integration of sustainable development realising environmental assets to aid economic growth through collaboration with Local Nature Partnership, Environment Agency, Natural England, Forest Commission and Local Planning Authorities

1.2.9 Complementary activities are underway to create the right conditions for success, some of which has been supported by WLEP grants. Work is underway on land availability, flexible planning arrangements, programme of food and farming training and infrastructure provision which has already resulted in the creation of 65 new jobs i.e. extension of Walsh Mushroom premises and Primafruit premises and construction of new highway access to Vale Park. Investment by about 10 businesses and creating an additional 200 jobs remains the target for 2018.

### **Worcestershire Horticulture Strategy**

- 1.2.10 Given the paramount importance of the horticulture sector to Worcestershire and the UK, its international reputation as well as the significant transformational changes occurring in this sub-sector alone, the opportunity has been taken to establish a refreshed co-ordinated approach which will spearhead growth alongside individual companies' expansion schemes and ambitions. This supplements the commitments made in the Strategic Economic Plan (SEP) and ESIF Strategy.
- 1.2.11 Taking the existing Heart of Horticulture Report (2011) assessing the horticulture sector in the West Midlands as an excellent starting point, the WLEP has commissioned ADAS to carry out some new stakeholder consultations (local growers and industry bodies); review and update our evidence-base, economic analysis and sector knowledge; recognise the impact of new technologies in the industry; and set out key strategic next steps for the WLEP and partners to focus future resources and energies.
- 1.2.12 The [Worcestershire Horticulture Strategy](#) provides a core framework for activities and the Executive Summary is in Appendix A with the whole report uploaded onto the Board Members' portal. After the Board meeting, the report will be uploaded onto the WLEP website and will be promoted widely to key audiences such as members of industry organisations such as ADAS, NFU, CLA etc. in order to generate wider discussion and engagement and shape a collective approach to further project development as well as influence national horticultural policies and participating in industry technology development.

## **Agri-Tech West Alliance**

- 1.2.13 The WLEP has been working jointly with Stoke & Staffordshire LEP, Cheshire & Warrington LEP and The Marches LEP and specialist research/academic institutions in this geographical area. The purpose has been to commission a joint study into the potential to develop a combined Agri-Tech West focused partnership which serves and spearheads growth in our common interest in Agri-Food, Food-Drink and Agri-Tech sectors. An Agri-Tech East model (East Midlands) has been operating for several years and has instigated interesting industry-applied research and technology development projects.
- 1.2.14 The agricultural and horticultural base across the four LEP areas is broad, with activity in all areas and represents a microcosm of the sector as a whole at national level. The area's wider agri-food supply chain has strengths in chemicals (fertilisers), meat processing, fruit and vegetable processing, food and drink production, and machine manufacturing. Internationally renowned agri-food businesses are based in the area because of its agricultural and horticultural base, supply chain specialisms, good connectivity, and access to labour markets and consumers.
- 1.2.15 The area's non-agriculture sectoral strengths that are or could be applied to agricultural and horticultural uses are machine manufacturing, chemical processing, and software design (cyber-security).
- 1.2.16 There are a number of well established and highly regarded further and higher education institutions in the four LEP areas. Whilst some of these specialise in land-based activities, all have expertise in engineering, manufacturing and the sciences.
- 1.2.17 Agri-tech is an exciting sector for education institutions, offering significant opportunities for the next generation of food producers, reducing the impact on the environment whilst pushing the UK (and their own institutions) towards the forefront of global agricultural innovation.
- 1.2.18 Research and soft market testing in the four LEP areas identified support for a new Agri-Tech West Alliance to provide a unified, integrated strategy for Agri-Tech development. Such an approach, especially one that links end users to innovators across multiple sectors, will encourage research, innovation and investment, and deliver increased productivity in the area's agricultural and food processing industries.
- 1.2.19 The Agri-Tech West Alliance has been created as an umbrella brand where all the partners and participants agree to work together, sharing knowledge and expertise in order to deliver increased productivity in the area's agriculture, horticulture and food processing industries. The Alliance formalises an existing partnership built on continuing collaboration and integration between the education sector; a range of Agri-Food industry specialist organisations and representative bodies; and the Local Enterprise Partnerships.
- 1.2.20 The potential to draw in other LEP areas from Gloucestershire, Lincolnshire and Warwickshire will be explored further. Pershore College has agreed to join the AgriTech West Alliance Board/Steering Group as soon as it is formed. More details explaining the Alliance are summarised in Appendix B.

- 1.2.21 The first priority focus is around co-ordinated ERDF bids to establish four specialist Agri-Tech Gateways in the Alliance area. This would build on the respective industry sector strengths as well as the leading land managements research institutions in the area namely, approved ERDF project in Cheshire East LEP Area (based at Reaseheath College), Stoke & Staffordshire LEP Area (South Staffordshire College), The Marches LEP (Harper Adams) and Worcestershire LEP (Pershe College). The specialist gateway proposal will augment all four LEP Growth Hubs in the Alliance (ours being Worcestershire Business Central).
- 1.2.22 For instance, Pershe College has a strong association with RHS and a strong horticulture offer, substantially improving with its National Centre of Horticulture Excellence and is expected to lead on all horticultural based training, project development and brokerage of SME business needs with innovation. This would provide an ideal complement to Reaseheath's parallel expansion and focus in facilitating SME dairy/arable farming expectations with innovation, research offers.

### **1.3 Next Steps**

- 1.3.1 As the report demonstrates there is a substantial foundation to the Sector Delivery Framework already in place. The overall approach is being progressed by various project partnerships, assorted lead organisations, various industry pioneers and assorted SME businesses but all are mutually connected and consolidated and all share a common ambition to grow productivity and reputation for the whole sector in Worcestershire.

### **1.4 Partners and Engagement**

- 1.4.1 The WLEP has conducted comprehensive consultations and engaged partners representing public, private and third sectors across Worcestershire throughout its SEP and ESIF process. The WLEP has been able to draw representation from the segmented interests required under Government Guidance and continues its commitment to stakeholder involvement. A wide range of partners and interested parties are now converting their involvement into a delivery focus, nurturing and developing projects and pipelines which will implement the Worcestershire LEP Area ESIF Strategy through ERDF, ESF and EAFRD Operational Programmes.
- 1.4.2 The WLEP has targeted specific stakeholders with key interests in the AgriFood/AgriTech sector at local, regional and national levels. Relationships have been established with NFU, ADAS, AHDB and CLA member organisations in order to embrace wide-ranging and diverse SME member interests. The WLEP has established a good reputation for innovation and practical delivery of policy development across the AgriFood/AgriTech sector with Government representatives from Defra/RPA, BEIS, DIT/UKTI, DCLG and DWP.

**Claire Bridges**  
**Strategy and Partnership Executive**

## **Worcestershire Horticulture Strategy - September 2016**

### **Executive Summary**

The Worcestershire Local Enterprise Partnership (WLEP) has been tasked to drive growth of the local economy to provide over 25,000 jobs and increase the value of the local economy by £2.9 billion by 2025. Agri-Tech has been identified as a key growth area for the Strategic Economic Plan (SEP) of the WLEP; the horticulture industry is a key player in the local economy, contributing over £33m annually. Development of the horticulture sector will greatly assist in the delivery of the ambitious goals of the SEP, and the Worcestershire Horticulture Strategy has been formulated to promote growth and expansion of local horticulture businesses. In addition, there are significant opportunities to address other areas of the SEP, particularly the cross-cutting priorities of environmental sustainability, technology and innovation, and to interact with SEP programmes for sustainable sites and premises, skills for growth, alongside numerous targets of the European Structural Investment Fund (ESIF) program. These have been highlighted where possible to support the breadth of the SEP deliverables through development of the local horticulture industry.

Horticulture in Worcestershire is heterogeneous, covering the vegetable, top, soft fruit, ornamental and protected edible sectors. Whilst each sector faces its own complement of challenges, there are unifying themes that should be targeted for intervention. The WLEP Horticulture Strategy has been developed from the response to questionnaires and telephone interviews with seven leading Worcestershire horticulture businesses. In addition, three key national organisations at the executive level were also interviewed and their views were sought on the relationship between national and regional strategies for the development of the horticulture industry in Worcestershire.

The overarching view of the industry is that growth of the sector will be promoted by a regional capital grant support for innovation, in addition to assisting growers in business development and access to larger-scale funding streams (e.g. RDPE REG or LEADER grants). Local support could also be delivered through the relaxation of planning law related to new production system infrastructure and repurposing existing farm buildings, and providing targeted business development support. This should be coupled with improved focus on knowledge exchange to facilitate business self-evaluation and the uptake of industry best practice to drive enhanced productivity and efficiency. Lastly, focused interventions to address the costs of labour provision and to mitigate the effects of shortages in skilled labour, particularly of seasonal workers, will continue to enhance resilience in the industry.

Britain's withdrawal from the EU, "Brexit", is liable to exacerbate labour availability and impact funding availability, while increases in the cost of imports will offer an opportunity for enhanced availability and marketing of UK horticulture products. In addition, links within the strategy were identified for recently established national Agri-Tech centres of excellence, but these primarily focus on arable and livestock segments of the Agri-Food landscape. The WLEP strategy is therefore timely, because in the absence of substantive central government funded innovation or business development support, or obvious links with recently established Agri-Tech centres, there has never been a greater need to aid this vital industry at a regional level at a time when considerable opportunity for growth is likely to evolve over the coming decade.

### **Worcestershire Horticulture Strategy – Challenges and Opportunities**

A breadth of challenges and opportunities for horticulture in Worcestershire were identified and were used to formulate a strategy that integrated the aims of the SEP while focusing on local horticulture. The strategy is split into four inter-locking themes which identify the problems, solutions and actions for growth:

## **1. Investing for Development**

Economic barriers to development can prevent businesses from utilising new technology or expanding operations to improve productivity. Improving grower's access to investment streams will deliver direct potential for growth and support the underlying aims of the SEP. To address this, it is proposed that a **Horticulture Growth Fund** is established to provide targeted investment in the sector. This will provide a buffer against currency fluctuations and the loss of EU funds post Brexit to producer organisations, but also act as a catalyst for growth, especially if import substitution becomes increasingly cost effective. In addition, sympathetic application of planning regulations for the development and expansion of infrastructure should be promoted.

## **2. Promoting an Environment for Growth**

Traditional marketing models (i.e. into supermarket trade) are under increasing pressure due to changes in consumer behaviour. Growers can realise significant growth by using high-quality, specialist products to target novel marketing routes. Intervention and investment will be required to promote expansion into new areas and exploit this opportunity.

## **3. Labour Provision and Development**

Labour availability is already a significant problem for growers, and this is likely to be intensified by "Brexit". Labour provision also carries a significant cost and this will continue to increase through uptake of the living wage. Action should be taken to mitigate the effects of labour provision to ensure sustainable development.

## **4. Promote Knowledge Exchange**

Despite increasing consolidation, the industry remains fragmented and practice is highly variable. Knowledge Exchange (KE) within the industry should be promoted to enable benchmarking evaluations of best practice and empower growers to instigate bespoke strategic plans for business development. Furthermore, there is scope to join with similar "horticulture significant" LEPs and produce a concerted way forward to encourage innovation and sector expansion for UK fresh produce, which is crucial for societal health and wellbeing.

Overall, the next decade will offer a breadth of challenges and opportunities for the horticulture industry, and targeted localised support will enable local businesses to alleviate difficulties caused by the changing economic and political environment while realising the opportunities and helping to deliver the economic aims of the SEP by promoting the growth of a strong local sector.

Implementation of the horticulture strategy will realise measurable results within the 10 year timeframe of the SEP, but will also establish the framework for longer-term, sustainable development within the industry to promote economic growth and job creation over the following decades.

### Agri-Tech West Alliance will:

- Disseminate information relating to new SME and/or sector practices and technology opportunities through various media
- Promote the area's individual and collective strengths to future investors, trade opportunities, SME businesses and representative bodies, government departments, etc.
- Signpost agri-food businesses to the best available experts, research facilities, training providers, and suppliers
- Drive technology by providing a forum for individual businesses to engage with researchers and innovators to solve business problems. Conversely, it will also introduce researchers and innovators to individual businesses to facilitate the testing of their products/processes
- Become a practical testbed for policies, initiatives, processes, and equipment, which can then be rolled out nationwide.
- Encourage greater collaboration, particularly within and across the business and education sectors to reduce duplication and add value to the area's agri-food economy now and in the future.

Participants in Agri-Tech West Alliance will provide support either in-kind, by leading and supporting activities, or financially through contributions or access to external funding sources as agreed.

### Who are the ATW partners?

- Four LEPs (Stoke and Staffordshire, The Marches, Cheshire and Warrington, and Worcestershire)
  - Current HE Partners
    - ❖ Harper Adams University
    - ❖ Chester University
    - ❖ Keele University
  - FE College Partners
    - ❖ South Staffordshire College
    - ❖ Reaseheath College
    - ❖ Pershore College
  - Sector Representative Other potential partners
    - ❖ AHDB/NFU/CLA/ADAS etc.
    - ❖ Alliance Industry and Business ambassadors – JCB<sup>1</sup>, Muller, Dairy Crest, Cogent, Kanes Foods, Sun Valley Foods (owned by Cargill), NWF Agriculture etc.
    - ❖ Innovate UK
    - ❖ Four Centres for Agricultural Innovation
    - ❖ DIT/UKTI/BEIS/DEFRA (in full as reader may not know who these are?)
    - ❖ Other HE Institutions, i.e. Universities of Aston, Birmingham, Staffordshire, Worcester
    - ❖ Other FE Institutions, i.e. Heart of Worcestershire College
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## How are we organised?

- **Agri-Tech West Alliance Programme Board**
  - ❖ Adopts a collective strategy and delivery framework for the support and development of the Agri-Tech West area in support of SME business growth
  - ❖ Acts as a focus for interaction with the Midlands Engine and Northern Powerhouse
  - ❖ Coordinates business-led projects and programmes across the Agri-Tech West area by linking initiatives and sharing knowledge and expertise
  - ❖ Promotes the umbrella brand of Agri-Tech West Alliance
  - ❖ Explores the potential for a Company Limited by Guarantee ?
- **Cross LEP Programmes**
  - ❖ Establishes a “Growth Hub Plus” for the Agri-Food/Agri-Tech sector in the Alliance area i.e. collectively co-ordinate and consolidate a gateway providing consistent specialist advice, grant availability and innovation support to SME businesses
  - ❖ Access a range of local, national and international knowledge and expertise to augment the Alliance specialist gateway
  - ❖ Additional Partners will be sought according to issue or project being developed where specialist knowledge is needed. For instance, horticulture sector innovations will be different to dairy/livestock technology needs
  - ❖ Working together towards either a Midlands Engine or Northern Powerhouse solution
  - ❖ Collaborative working with cross-Government interests i.e. UKTI, BEIS, Defra
  - ❖ Alignment of ESIF, Growth Deal or any other Government national programme funding to consolidate the Alliance’s shared ambitions and delivery
- **LEP Based Programmes**
  - ❖ Capitalise on individual LEP priorities and delivery for business growth that enhances local distinctiveness and expertise

## What do we plan to do?

A series of priority projects have been outlined, which seek to address the shortcomings in the sector at present and build upon its strengths.

[Executive Summary Agri-Tech West Report.](#)

[Agri-Tech West Full Report.](#)