

# Practical strategies to tackle labour shortages within your food & drink business

October 2021



# Key outputs from our report



Rob Turner  
Public Services Advisory  
Director

# Establishing the labour availability issues of the UK Food and Drink Sector



## Establishing the labour availability issues of the UK Food and Drink Sector

August 2021



# What are the key challenges? (i)

## Chronic labour shortages

- Average vacancy rate of 13%
- Potentially in excess of 500,000 vacancies
- Vacancies across all skill levels, but highest in 'processing roles' (43%)



## What are the key challenges? (ii)



Reliance on migrant labour



Age profile of employees in the sector



Negative perceptions of the sector



Competition from other businesses



Skills shortages



The geographical spread of the sector and rurality



Introduction of IR35



Exacerbated by Covid-19

# How are these impacting the sector?

## Impacts

- Scale back and loss of revenue
- Delivery delays and reduced customer service levels
- Product deterioration and wastage
- Reduced growth and investment put on hold
- Increased workloads on existing staff
- Inefficiencies due to lack of experience
- Potential closures

## Knock-on-impacts

- Ripple effect through supply chain
- Food availability
- Price rises
- Animal welfare
- Environmental impacts

# What needs to be done?

## Actions taken

- Enhanced recruitment and retention methods
- Increased focus on recruiting domestic workers
- Wage increases
- Increased reliance on contractors
- Relocation
- Increased investment in automation
- Flexibility from buyer/customer
- Initiatives to improve the image of sector

## Immediate asks

- Introduction of a 12-month Covid-19 Recovery Visa
- Revision and expansion of the Seasonal Workers Pilot Scheme
- Increased research and statistics on the impact of ending free movement
- Review of the MAC Shortage Occupation List (SOL)

## Asks for the coming months

- Promote the sector as a career choice
- Coordinated approach to training
- Greater incentives for apprenticeships
- Review and expansion of Kickstart Scheme, Lifetimes Skills Guarantee and Youth Mobility Scheme

# Practical strategies from a People perspective



Katie Nightingale  
People Advisory Associate  
Director

# Increasing the profile and attraction of our business

- Refreshing your employer brand
- Increasing your reach with social media
- Increasing your profile in the community
- Apprenticeship recruitment campaigns
- Widen your talent pool – transferrable skills
- Friends and family referral scheme
- Lowering the minimum age for workers
- Increased use of the Kickstart scheme
- Reengineering job descriptions
- Increased student intake
- Review your remuneration

“

Take time to review your employer brand and current recruitment practices and seek feedback on areas to improve on.

”

# Increasing retention across your business



- Embracing alternative ways of working
- Refreshing your employee benefits offering
- Investing in on-site accommodation and on-site facilities
- Extensive worker welfare services
- Investing in employee development
- Increased temporary to permanent transition

# Accessing support

- New service launched by the FDF using the government's Kickstart initiative
- Provides members of all sizes across England, Scotland and Wales with an employee for up to six months on a temporary contract of 25 hours per week
- This is at a zero cost to FDF members, with the Government paying the salary

Further details:

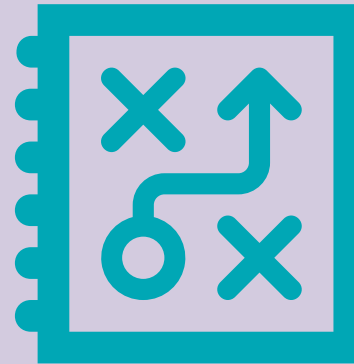
[The Food and Drink Federation | Pedagogogo](#)



# Planning for tomorrow

## Strategic workforce planning

- Do you know the skills you need for the future?
- Where are the gaps in skills across your workforce?
- How will you acquire/build these skills?
- What external factors on the horizon do you need to account for?



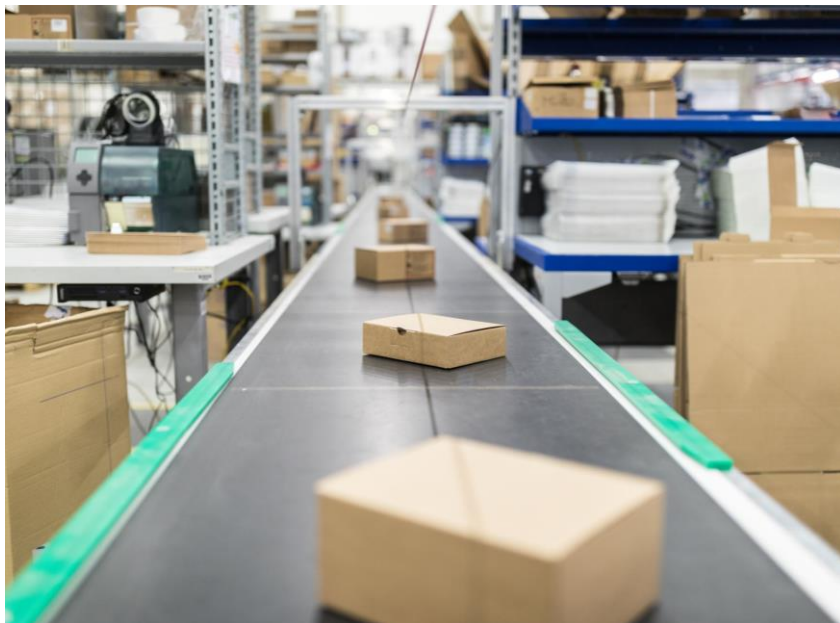
# Practical strategies from an Operational perspective



Kevin Wilson

Operational Advisory Associate  
Director

# Labour shortage has introduced a capacity constraint



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## Capacity constraint strategy

- Increase capacity without the need for increased labour
- &/or
- Make the most from available capacity

”

# Automation

## Automation of repeatable tasks reduces reliance on labour

- Movement of goods
  - Conveyors , Pallet tracks, AGV (auto guided vehicles)
- Pick, place and pack of goods
  - Palletiser / layer stacking / shrink-wrapping
  - Auto box fillers
  - Auto case erectors and sealing
  - Auto labelling
- Automated warehouse
  - Pallet movement – stock replenishment
  - Automated picks
- Tailored processing equipment
  - Check weighing, dosing, bottling, closures....
  - SCADA – (supervisory, control and data acquisition)



# Process Efficiency – more productive time, optimal speed, reduction of waste

## Culture of continuous improvement to reduce waste

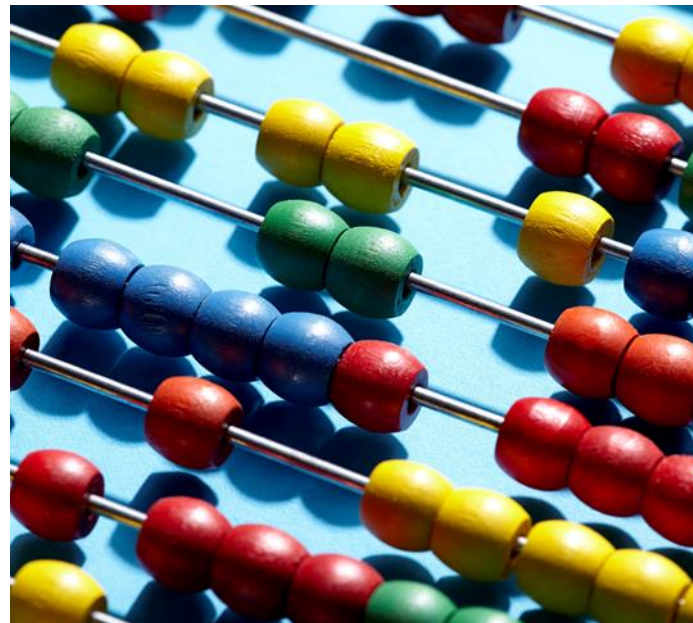
- Downtime
  - Changeovers (line jumping, 3-bin, SMED)
  - Breakdowns (root cause and rectification)
  - Waiting (planning and execution)
- Optimal speed (not just faster)
  - Slowdowns and small stops
  - Rate to produce best consistent good product
- Reduction of waste
  - Scrap (poor quality)
  - Waste (overuse, start-up waste, runout)
  - Giveaway (more weight/vol. than required)



# Available capacity

## Understanding your product base and what makes money

- Margin Analysis
  - What products generate most revenue or margin
  - What consumes most capacity, time, effort
  - 80/20 (or Pareto or ABC..) rule
  - Do promotions work for you?
- Product / Customer rationalisation
  - What products or customers generate most revenue or margin?
  - Reduction in the tail?
- Product simplification
  - Standardisation - carton, pack, label, ingredients
  - Link to automation strategy



# Strategy is not isolated but integrated

## OPERATIONS

Automation Investment – 3yr,  
5yr, 10yr

Automation upskilling

Process optimisation

Culture of improvement

## PEOPLE

People investment – apprentice,  
manager, leader

People upskilling for retention

Labour retention through incentives  
and bonus

Employee satisfaction and recognition

# Q&A

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**Rob Turner**

**Insights & Analytics  
Director**



**Katie Nightingale**

**People Advisory Associate  
Director**



**Kevin Wilson**

**Operational Advisory  
Associate Director**



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