

Food and Drink Capital Programme

SECTION 1. WHAT ACTION IS THE WELSH GOVERNMENT CONSIDERING AND WHY?

(Please note that this Section will be published)

The current Welsh Government consultation on the future plan for the food and drink industry, developed in partnership with the Food and Drink Wales Industry Board (FDWIB), sets out our vision to build on this growth and further develop the global reputation of Wales as a Food Nation. As a key part of this, the plan highlights our commitment to continue our efforts to Innovate the food and drinks sector across the UK and internationally.

AMRC Cymru is a powerful partnership between the Welsh Government, local authorities, growth and enterprise agencies and a world-leading R&D centre in advanced manufacturing. The research team operating AMRC Cymru is part of the University of Sheffield Advanced Manufacturing Research Centre and a member of the High Value Manufacturing (HVM) Catapult, a consortium of leading manufacturing and process research centers backed by Innovate UK.

The goal is to help the region's manufacturing community access advanced technologies that will drive improvements in productivity, performance and quality. Our ability to draw on the proven R&D talent of the University of Sheffield AMRC and the seven-member HVM Catapult, provides immediate strength in depth to support the Welsh Government in its ambition to make North Wales the epicentre of innovation driven, advanced manufacturing.

As a cutting edge R&D facility, AMRC Cymru will be driven by industry, for industry. It will provide an open innovation platform accessible to all manufacturers for the whole of Wales.

The delivery of the AMRC capital equipment innovation programme is aligned with the Welsh Government's strategic priorities in *Taking Wales Forward* and *Prosperity for All*, particularly in relation to 'Prosperous and Secure' in supporting the economy, business and jobs, as well as the commitment to fostering new relationships for trade and investment. The *Economic Action Plan* establishes food as a foundational sector of the Welsh economy and reaffirmed commitments to proactively support trade with the UK and rest of the world. The current consultation on a new *International Strategy* sets out commitments to raise Wales' profile internationally and increasing our exports and encourage inward investment.

Overall, the AMRC capital innovation programme will contribute to a Prosperous Wales, A resilient Wales, A healthier Wales, A Wales of cohesive communities and A globally responsible Wales - goals in the Well-being of Future Generations (Wales) Act 2015, as well as the five ways of working, including:

Long term

Brexit poses a significant challenge and has the potential to be an enormous disruptor, particularly for the foundation food sector in Wales given:

- Wales' food and drink sector is tightly integrated into UK and international supply chains and cannot be insulated from macro changes to the trading environment.
- Around a quarter of the food and drink manufacturing sector labour force are non-UK EU citizens.
- 73% of Welsh food and drink exports by value are to the European Union.
- Trade agreements with the EU and other countries may threaten or alter export / import dynamics, introduce different tariff and non-tariff costs, and impact on consumer standards.

Given this current political context, AMRC will become even more important to provide a high-profile Innovation platform to raise Wales' international profile and proactively market our innovation in quality food and drink to the world and can be used to positively deliver a range of measures to future-proof the industry in Wales to meet the challenges and opportunities for the industry as a result of Brexit.

AMRC will undertake a competitive procurement exercise when purchasing the relevant equipment and will adhere to the Sustainability Principle by promoting the foundation food and drinks industry to improve levels of wealth and wellbeing for the long term, and deliver key messages and practical areas of support in the post Brexit era.

Prevention

The AMRC capital equipment will include measures around prevention of entrenched issues facing the food and drinks sector, and will also showcase new developments around food innovation and technology, including links to Project Helix, helping to train and create new start-up companies in the sector, alongside other business resilience programmes, such as 'Towards a global food nation Wales' encouraging international collaboration and extending support available on innovation (funded via EU Transition Funding) to prevent the more immediate challenges presented by our exit from the EU.

The expected number of business over the next three years accessing the equipment will be over 150 businesses we will seek to minimise our impact on the environment, including the AMRC site will:

- use energy efficient lighting, such as LED, to minimise its carbon footprint;
- operating a zero landfill waste policy;
- use renewable energy sources where possible; and
- have the appropriate number of bins to recycle all food, cardboard, mixed recycling and glass as appropriate and economically viable.

Integration

Integration is a key part of the AMRC capital expenditure given its focus on developing new business innovation and its link between Welsh businesses as well as UK and international buyers; as well as providing an integrated high-profile platform showcasing our finest innovation food and drink products/businesses; as well as new developments in technology, academia, skills and innovation.

Collaboration

The delivery of the use of the AMRC capital equipment has collaboration at its heart, working in partnership with industry, including the Food and Drink Wales Industry Board (FDWIB), individual businesses participating in the events, delivery partners, our Food Centres of Excellence (Food Innovation Wales), universities and other key stakeholders (in a triple helix focus) to effectively deliver an impactful innovation service.

Other key partnerships will be with the Food & Drink Cluster Networks, aimed towards removing the isolation of businesses and other actors, and connecting supply-chains to stimulate innovation, promote best practise, overcome knowledge barriers and encourage resource sharing, and we will seek to showcase this during the next year, to foster further collaborative opportunities. The Cluster Network currently groups businesses around the Drinks Development Cluster, the Export Club, the Welsh Seafood Cluster, Fine Foods Wales, the High Impact Business Cluster and NutriWales. This is an innovative approach in Wales to support responsible business, through supply chain development, consumer trends and through sustainable business models that protect the natural resources of Wales.

We will also seek to use the AMRC capital equipment to maximise international collaborative opportunities, including for example with key partners including the European Institute of Innovation and Technology (EIT Food) and Interreg Atlantic Area/North-West Europe projects, aimed at encouraging cross border collaboration to support the development of our respective food and drinks industries.

Involvement

An external Steering Group, including representation from all key partners will also be established to help plan/deliver the AMRC 2020 capital spend , including representation from the FDWIB, Food Innovation Wales, key delivery partners and other Welsh Government departments.

In line with equality and Welsh language requirements, the Local Area Board will ensure the involvement of individuals sharing protected characteristics as well as Welsh speakers.

A. CHILDREN'S RIGHTS IMPACT ASSESSMENT

All completed Children's Rights Impact Assessments must be sent to the CRIA@gov.wales mailbox

The project to deliver the ARMC Capital Investment programme event has been developed with due regard to The Rights of Children and Young Persons (Wales) Measure 2011 and The United Nations Convention on the Rights of the Child (UNCRC).

Our evidence gathering exercise during 2019 (prior to developing our consultation on plans for the food and drink industry in Wales) revealed the potential for indirect positive impacts for the well-being of children and young people arising from measures to support the Food and Drink Foundation sector. Our businesses are embedded in local economies across Wales and offer the opportunity to underpin the agenda in the EAP to tackle regional inequality and improve levels of wealth fairly over the long term.

Results of our engagement also highlighted a real concern for where the next generation of workers in the food and drink industry are coming from. The availability of labour with the right skills is a core issue for growing SMEs, stressing the importance of programmes that attract interest among young people for career opportunities within the sector. ARMC innovation investment will therefore develop to promote and showcase the plethora of opportunities for careers within this growing sector and we will also explore opportunities to include young people in the innovation activity event itself (potentially in the form of a school visit), by means of inspiring the next generation of entrepreneurs/business owners within the sector.

Engagement showed there is also a growing lack of understanding and connection with the food chain arising from changing social behaviours, convenience and on the go consumption. Whilst studies show that 76% of consumers across the UK try to lead a healthy lifestyle¹, the Welsh Government's consultation 'Healthy Weight; Healthy Wales' importantly highlights the very immediate issue of childhood obesity, with its particular relevance to Wales. In this context, initiatives to help our businesses adapt to consumer demand can also serve to contribute to wider Welsh Government policy to improve the health and well-being of children.

As we continue to develop the project to deliver the investment, we will engage further with groups representing the interests of children and young people, particularly in developing any programme/related activities.

1. Explain how the proposal is likely to impact on children's rights.

¹ **Winning for Wales & Winning in Wales: A consumer driven perspective** – Kantar World Panel – March 2017.

Fostering and promoting growth in the food and drink sector will contribute to the aims in the EAP of creating a growing, sustainable and inclusive economy. In this way, our actions to support the sector will support **Article 27** of the UNCRC for children to have a right to a standard of living that is good enough to meet their physical and mental needs. Interventions to help create successful food and drink businesses, which can be highlighted at AMRC Cymru , will positively support improved opportunity within urban and rural areas alike. This will underpin the aims in the EAP of ‘better jobs closer to home’ within the industry, and so indirectly contribute to improving the circumstances of children through helping to strengthen the communities they live in.

The Food & Drink Wales Industry Board has previously canvassed the opinion of businesses through two skills conferences, held in late 2017 and early 2018. Only 7% of companies reported that they have all the skills they need now (45 responses) and none stated that they have all the skills they need for the future (47 responses)². The AMRC innovation programme will seek to raise the awareness of career and training opportunities within food and drink manufacturing through Tasty Careers Wales, and will foster engagement between businesses and education providers through the Skills Pledge. In this way, the event will touch on **Article 29** of the UNCRC for education to develop each child’s personality and talents to the full.

In Wales, around a quarter of children (27.4%) aged 4-5 years old are classified as overweight or obese. The Welsh Government’s strategy for tackling the issue of obesity in Wales is outlined in ‘Healthy Weight: Healthy Wales’, which was published for formal consultation from 17 January 2019 to 12 April 2019. Our showcasing our support for innovation, will support the food and drink sector to deliver for the obesity strategy in encouraging businesses to reformulate by providing increased support through the Food Innovation Wales network. Through this work it is expected that the event will contribute to **Article 24** of the UNCRC for children to have the right to good quality health care and to clean water, nutritious food and a clean environment so that they will stay healthy.

² Welsh Food & Drink Manufacturing – Future Labour Requirements 2017-2025, Brookdale Consulting 2017.