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UK Seafood Processing Sector Labour Report 2022

8th quarterly report

May 2023

UK Seafood Processing Sector Labour Report 2022
Quarterly Report 8 (January - June 2022)

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Executive summary

- In May to July 2022, Seafish collected data from UK seafood processing businesses to understand the impact of EU exit on labour in the sector. 43 companies participated in the survey. These companies represent 14% of total full time equivalent (FTE) jobs in the sector and 13% of all majority[1] seafood processing companies in the UK.

- Seafish previously surveyed the seafood processing sector between 2017 – 2019 to understand EU Exit related labour issues.

- This current survey sought views on
  - How has the changing labour market affected recruitment and retention of staff?
  - What are the main barriers to recruiting British staff in the seafood processing sector?
  - How do companies plan to adapt if they are unable to recruit and retain a sufficient workforce?
  - What investments in automation could processors make if they cannot find enough workers and how would investment impact staffing requirements?

- Compared to the 2017-2019 survey findings, businesses are reporting that they are facing significant issues recruiting and retaining staff. Key research findings include:
  - Majority of respondents (68%) reported that they had found it difficult to recruit during the period January to March 2022. The smallest companies (1-10 FTE jobs) reported the most difficulty with recruitment during this period.
  - It took an average of 62 days to fill vacancies in May to July 2022. This was twice as long as in January to March 2022, and four times longer compared to April-June 2019 (16 days).
  - 30% of respondents reported vacancies for seasonal and temporary workers.
  - Most vacancies were for roles that are semi-skilled or require training such as fish filleting or shellfish shuckers or pickers.
  - Administrative positions, including finance, marketing and HR roles were considered the easiest to fill.
  - As in previous surveys the most common factor affecting recruitment for the period January to March 2022 was 'Local people do not want to work in a seafood factory' (64% of respondents). 'Shortage of candidates' was the second most cited factor (57%).
  - Nearly 80% of companies in the sample employed EU nationals prior to Brexit.

[1] 50% or more of annual turnover is derived from seafood processing activity.

- 80% of companies surveyed have never used the Skilled Workers Visa route at the time of the survey. The main reasons for this were lack of awareness or familiarity with the scheme, and lack of resources or capability to engage in the scheme.
- Businesses are less confident in their ability to recruit and retain staff.

Acknowledgements

A special thanks to those who participated in the survey and shared their invaluable industry insights with Seafish to inform this report.

1. Introduction and background

Research by Seafish has shown that the seafood processing sector is heavily reliant on workers from EEA countries. In 2017, UK processing businesses began raising concerns about a shrinking labour pool, with some processors reporting a shortage of locally available workers at current wage rates.

In October 2017, Seafish began working with seafood processing businesses to gather evidence on concerns related to recruitment and retention to inform future policy decisions. It was agreed that between 2017 and 2019 Seafish would carry out a series of quarterly surveys to collect quantitative and qualitative evidence from processors on ease of recruitment, confidence in recruiting and retaining enough staff, and adaptations businesses would make if they could not recruit enough workers. This study aimed to address the following research questions:

- How has the changing labour market affected recruitment and retention of staff?
- What are the main barriers to recruiting British staff in the seafood processing sector?
- How do companies plan to adapt if they are unable to recruit and retain a sufficient workforce?
- What investments in automation could processors make if they cannot find enough workers and how would investment impact staffing requirements?

The first quarterly survey was carried out in December 2017 alongside the first Seafish annual survey of workforce composition in the seafood processing sector. In total, seven quarterly surveys and two annual surveys were carried out.

Findings of all quarterly and annual surveys are available on the Seafish website.[2] The final quarterly survey covered the period April to June 2019 and was carried out in July and August 2019.

2022 labour survey and report

Labour shortages in the sector have become more acute since the UK left the EU, with businesses raising concerns about constraints on hiring EU workers for jobs classified as “lower-skilled” under the new immigration rules.

It is important for policy makers and industry to have accurate and up to date information about recruitment and staff retention in the seafood processing sector. DEFRA therefore commissioned a further labour survey in 2022. This survey aimed to collect evidence on the employment impact of both the Covid-19 pandemic and changes to UK immigration rules following the UK’s exit from the EU. This survey was designed with input from processing businesses, government and the Migration Advisory Committee to ensure that the evidence was fit for purpose.

[2] www.seafish.org. Please use search functionality available on the web. Search for ‘Labour in UK seafood processing’ and select ‘Documents’ in search results.

This report describes the findings of the survey carried out by Seafish during May to July 2022. It presents information about both current challenges and changes in the ease of recruiting UK and non-UK workers in the seafood processing sector since 2019.

2. Methodology

The survey was carried out during May to July 2022. Participants were asked to provide current labour data and data from the past two years. There was a particular focus on the most recent quarter (January to March 2022). Participants were asked about recruitment and retention of staff, the impact of EU Exit and the Covid-19 pandemic on employment, and the introduction of the Skilled Worker Visa route (Appendix 1).

Participation in the survey was voluntary. During Seafish's annual Seafood Processing Census (April to June 2022), businesses were asked to confirm whether they would like to participate in the Labour Survey. Of the 322 majority seafood processing companies identified in the 2022 processing census, 107 confirmed they would like to participate in the 2022 Seafood Labour Survey. These 107 companies were invited to participate via email using a Survey Monkey link.

43 seafood processing companies participated in the survey. 11 responses were received from multi-site companies and these responses were provided at the company, rather than site level. The remaining responses were from single-site companies. Table 1 shows the number of companies sampled in the 2022 Labour Survey, by size band (number of FTE jobs), compared to the total number of companies[3] in the sector.

Table 1. Coverage of employment in the 2022 Labour Survey.

Size band (FTE jobs)	Number of companies that responded to the 2022 labour survey	Total number of companies[3] in 2022	Labour survey sample rate
FTE 1-10	8	168	5%
FTE 11-25	8	60	13%
FTE 26-50	9	32	28%
FTE 51-100	8	27	30%
FTE 100+	8	35	23%
Unknown	**2**		
Grand Total	**43**	**322**	**13%**

Table 2 shows survey coverage of employment in the sector, by size band (FTE jobs).

[3] This figure represents the number of majority processing companies (≥50% of annual turnover from seafood processing activity).

Table 2. Survey coverage of employment in the sector, by size band (FTE jobs).

Size band (FTE jobs)	Number of FTE jobs covered in the 2022 labour survey	Total number of FTE jobs in the sector in 2022	Labour survey sample rate
FTE 1-10	46	793	6%
FTE 11-25	117	1,003	12%
FTE 26-50	332	1,216	27%
FTE 51-100	517	2,020	26%
FTE 100+	1,530	12,968	12%
Grand Total (1)	**2,543**	**18,000**	**14%**

(1) note: excluding 2 processors without employment data.

Data cleaning procedure:

Before analysing the results of the survey, the following responses were dropped from the sample:

- 11 responses which contained no information (survey was started but not information was given)
- 4 responses that only included contact details but no further information
- 1 responses from a non-processor

There were five instances where two people from the same company provided a response to the survey. In three of these cases, one representative from the company filled out minimal information (such as contact details alone) and another filled out the survey more completely. In these cases, the most complete survey response was retained, and the other was dropped from the sample. In the other two cases, two representatives from the same company provided a similar level of information. In these cases, the company was contacted to confirm which response to retain. Additional qualitative data supplied in the secondary response was merged with the primary response where applicable.

A number of companies were unable or unwilling to participate due to survey fatigue or lack of time, with staff working overtime due to current labour shortages. Table 3 shows changes in quarterly labour survey participation rates since 2017.

Table 3: Number of survey responses by business size (FTE jobs (1)), total number of companies surveyed, and overall survey sample rates from 2017 to 2022.

	Q1 Oct-Dec 2017	Q2 Jan-Mar 2018	Q3 Apr-Jun 2018	Q4 Jul-Sep 2018	Q5 Oct-Dec 2018	Q6 Jan-Mar 2019	Q7 Apr-Jun 2019	Q8 May-Jul 2022
1-10 FTEs	9	2	7	6	12	9	9	8
11-49 FTEs	26	14	26	22	20	24	22	17
50-249 FTEs	15	15	24	16	28	23	15	16
250+ FTEs	15	19	16	15	3	4	5	-
Total no. processors sampled	**65**	**50**	**73**	**59**	**63**	**60**	**51**	**43(2)**
Sample rate	**19%**	**14%**	**21%**	**17%**	**18%**	**17%**	**15%**	**13%**

(1) note: FTE groups in this report are in line with company size bands used by previous quarterly labour surveys.

(2) note: including 2 processors with inconclusive size bands

3. Labour market overview

Days to fill current vacancies (May to July 2022)

The average number of vacancies across companies in the sample (43) at the time of the survey was 13 vacancies per company. Number of vacancies varied by business size. The lowest number of vacancies for a single company was zero vacancies and the highest was 129 vacancies.

Across the sample, the proportion of roles that were vacant within each size band ranged from 8% to 45% (Figure 1), with companies facing an average vacancy rate[4] of 24% across all companies sampled. The relative proportion of vacancies as percentage of total FTE jobs was higher for smaller companies compared to larger companies.

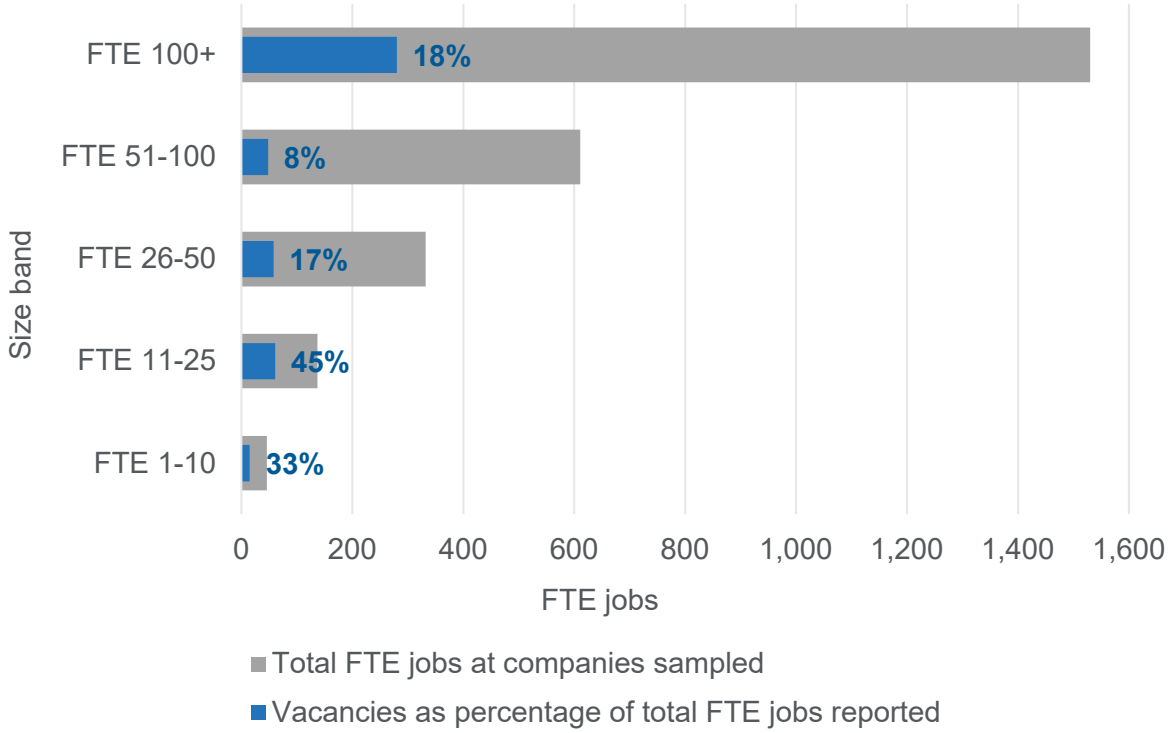

Figure 1: Total roles and share are roles vacant at the time of the survey, by size band (n=41).

[4] Vacancy rate is calculated as number of vacancies reported divided by total number of full time equivalent (FTE) jobs and multiplied by 100.

Wider Labour Market Shortages

According to the Office of National Statistics (ONS)[5], there has been a marked increase in vacancies in the 'Accommodation & food service activities' sector since the end of the EU Exit transition period (January 2021) (Figure 2).

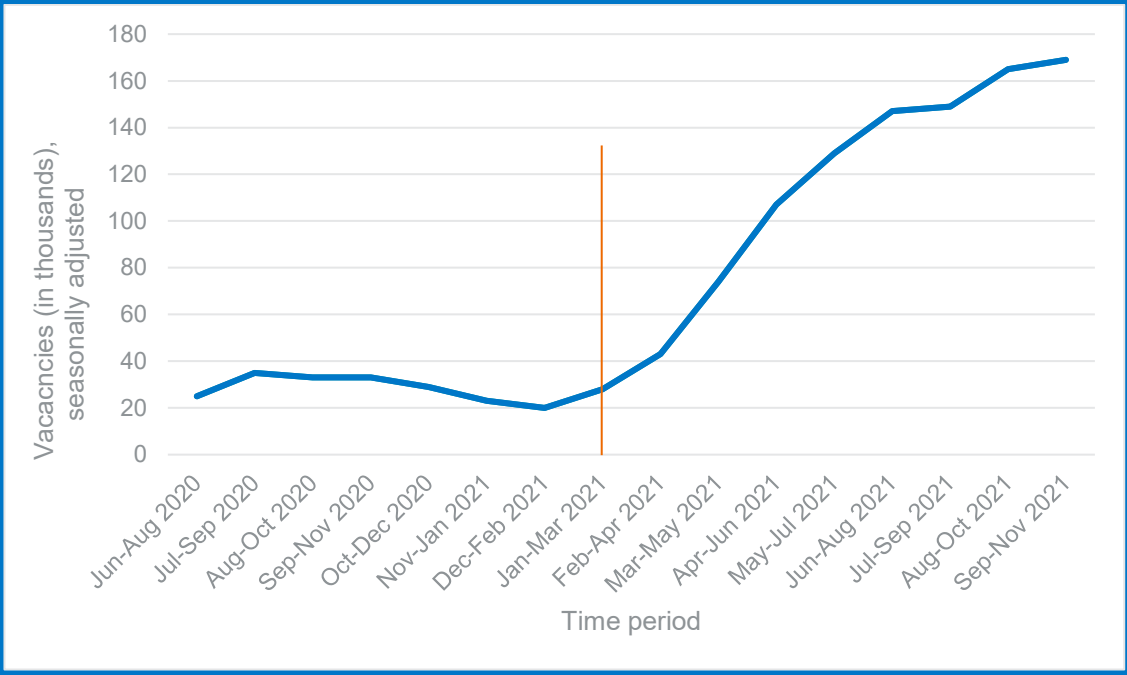

Figure 2: Number of vacancies (thousands of jobs) in the UK food & accommodation sectors before and after the end of the EU Exit transition period (indicated with an orange line). Data source: UK Office for National Statistics.

UK foodservice is an important market for many seafood processing companies. Low labour availability in the accommodation and foodservice sector has knock on effects to suppliers, including seafood processors.

According to 40 respondents, companies expected it would take an average of 62 days to find a suitable candidate for each of their current vacancies. The quickest a company thought they could fill a vacancy was 0 days and the longest a company thought it would take was 365 days (Table 4).

[5] VACS02: Vacancies by industry - Office for National Statistics (ons.gov.uk))

Table 4: Average number of days companies estimated at the time of the survey (May-July 2022) it would take to fill a vacancy, by size band (n=40).

Size band	Average number of days to fill a vacancy
FTE 1-10	116
FTE 11-25	11
FTE 26-50	57
FTE 51-100	53
FTE 100+	40
Overall (1)	**62**

(1) note: including 2 processors without employment information.

Some respondents gave qualitative responses to this question, e.g. "*Too many days*" or "*Not possible to find anyone*". Qualitative responses are not included in Table 4.

On average, companies in the smallest size band were the least optimistic about their ability to fill vacancies, with companies expecting it to take an average of 116 days, or roughly 4 months, to fill each vacancy. The next smallest size band (FTE 11-25) reported the lowest average number of days, though there were only two valid responses from companies in this size band. Companies with more than 25 FTEs gave similar responses, with companies anticipating it taking an average of 40-60 days, or roughly 1- 2 months, to fill each vacancy.

Days to fill vacancies in the previous quarter (January to March 2022)

The total number of reported vacancies during the period of January to March 2022 was comparable to the total number of vacancies reported at the time of the survey (May to July 2022). Respondents reported a total of 560 vacancies during January to March 2022 (versus 537 total vacancies reported between May and July 2022).

In January to March 2022, across all companies sampled, the average proportion of vacancies per company ranged from 8-22% depending on the size of the company. Overall, across all respondents, 15% of jobs were vacant during January to March 2022. Figure 3 shows the total number of FTE jobs amongst respondents in each size band and the share of jobs that were vacant during the period January to March 2022.

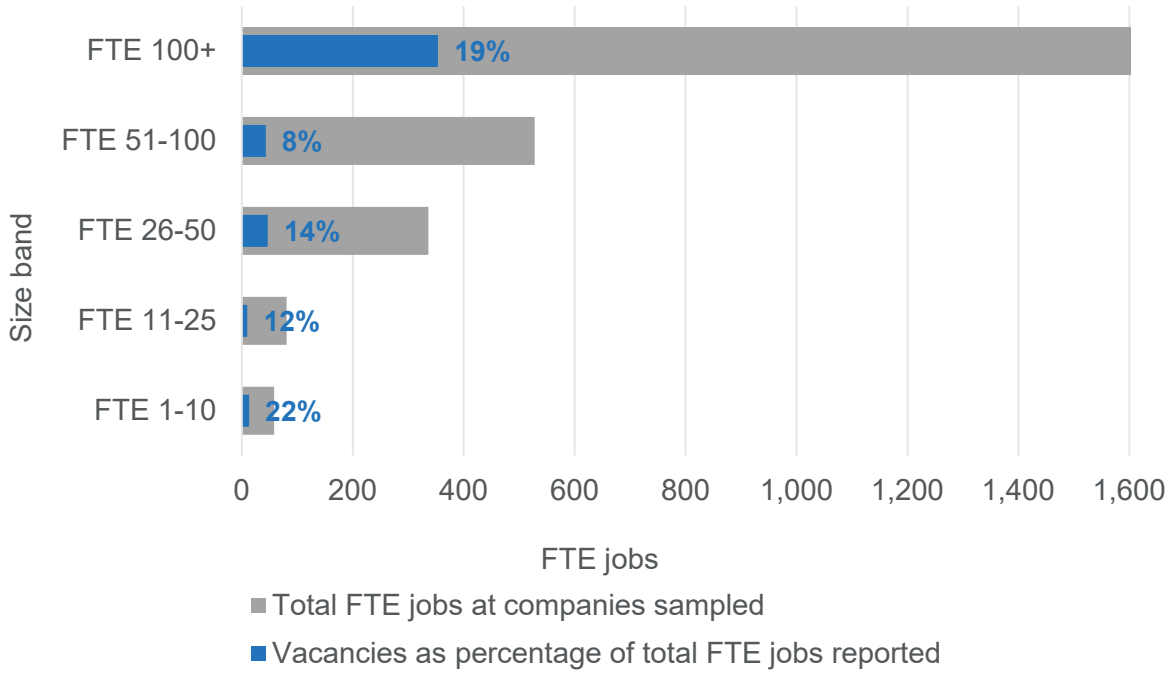

Figure 3: Total vacancies during the period January to March 2022 and the share of jobs that were vacant in each size band (n=41). Processors that responded with "*N/A*" were not included in the total or average.

The number of days it took to fill each vacancy during January to March 2022 ranged from 0-90 days. On average, vacancies were open for 31 days (Table 5). Qualitative responses, e.g. "*All the time*" or "*Still not filled*" or "*N/A*" and were not included in the calculations.

Table 5: Average number of days companies reported it took to fill vacancies during the period January-March 2022, by size band (n=42).

	Average number of days to fill vacancies
FTE 1-10	30
FTE 11-25	17
FTE 26-50	47
FTE 51-100	22
FTE 100+	34
Overall (1)	**31**

(1) note: including 2 processors without employment information.

The average number of days respondents reported that it took them to fill vacancies during the period January to March 2022 (31 days) was half as long as the average

number of days they expected it would take them to fill vacancies in May to July 2022 (62 days).

Compared to the previous quarterly surveys conducted by Seafish in 2017-2019, companies now expect it to take longer to fill vacancies (Table 6). According to previous surveys, the average time it took companies to fill vacancies between late 2017 and mid-2019 was 14.2-27.7 days. The anticipated average reported for May to July 2022 is more than twice as high (62 days).

Table 6: The average reported time it took companies to fill vacancies in each period since the first quarterly survey in 2017.

	Q1 Oct-Dec 2017	Q2 Jan-Mar 2018	Q3 Apr-Jun 2018	Q4 Jul-Sep 2018	Q5 Oct-Dec 2018[6]	Q6 Jan-Mar 2019	Q7 Apr-Jun 2019	Jan-Mar 2022	May-Jul 2022 (1)
Avg. no. days to fill vacancies	14.5	14.2	20.9	27.7	N/A	14.5	15.6	31	62

(1) note: time anticipated to fill in the vacancies by survey respondents.

Current vacancies by job category (May to June 2022)

Overall number of open vacancies reported by survey respondents at the time of the survey was 537. Respondents were given a list of job categories and asked to select all categories where they currently had vacant roles. The job category that the most respondents reported vacancies in was: "*Semi-skilled/requires training (including filleting, shuckers, pickers)".* 27 companies (63%) reported vacancies in this category at the time of the survey. The next most cited categories were "*Elementary occupations (e.g. packers, shelf fillers, cleaners"*, "*Skilled trades: Food preparation"* and "*Process, plant & machine operatives".* There were 409 vacancies reported by job category with an additional 25 vacancies reported under *'other'* category. Figure 4 provides an overview of vacancies by job types when those are matched to skill level using NQF definitions (Appendix 2).

[6] This question was not included in the survey covering the last quarter of 2018.

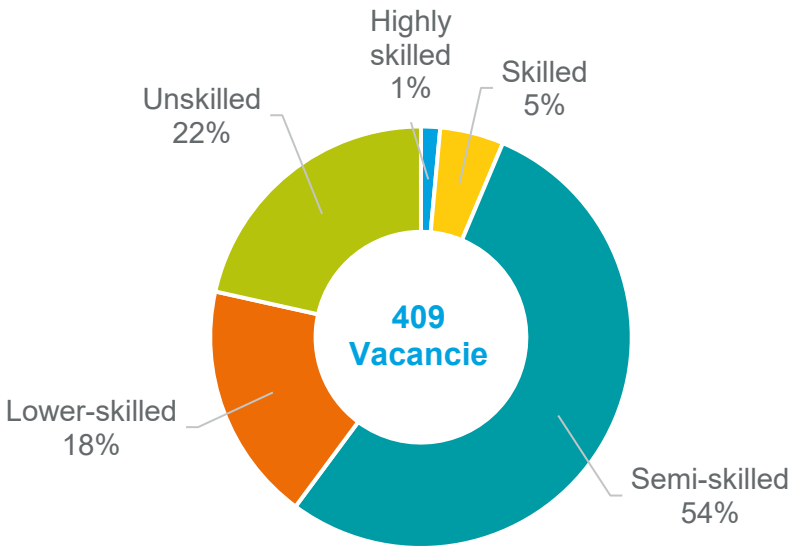

Figure 4: Types of vacancies companies were trying to fill at the time of the survey (May to July 2022) (409 is the total number of vacancies covered).

Respondents were also asked to indicate contract type (permanent, temporary or seasonal) (Figure 5). The job categories that the most often been cited with vacant seasonal and temporary roles were: "*Semi-skilled/requires training (including filleting, shuckers, pickers)", "Skilled trades: Food preparation",* and "*Process, plant & machine operatives"*. Around 30% of all respondents had vacancies in these three categories for seasonal or temporary positions.

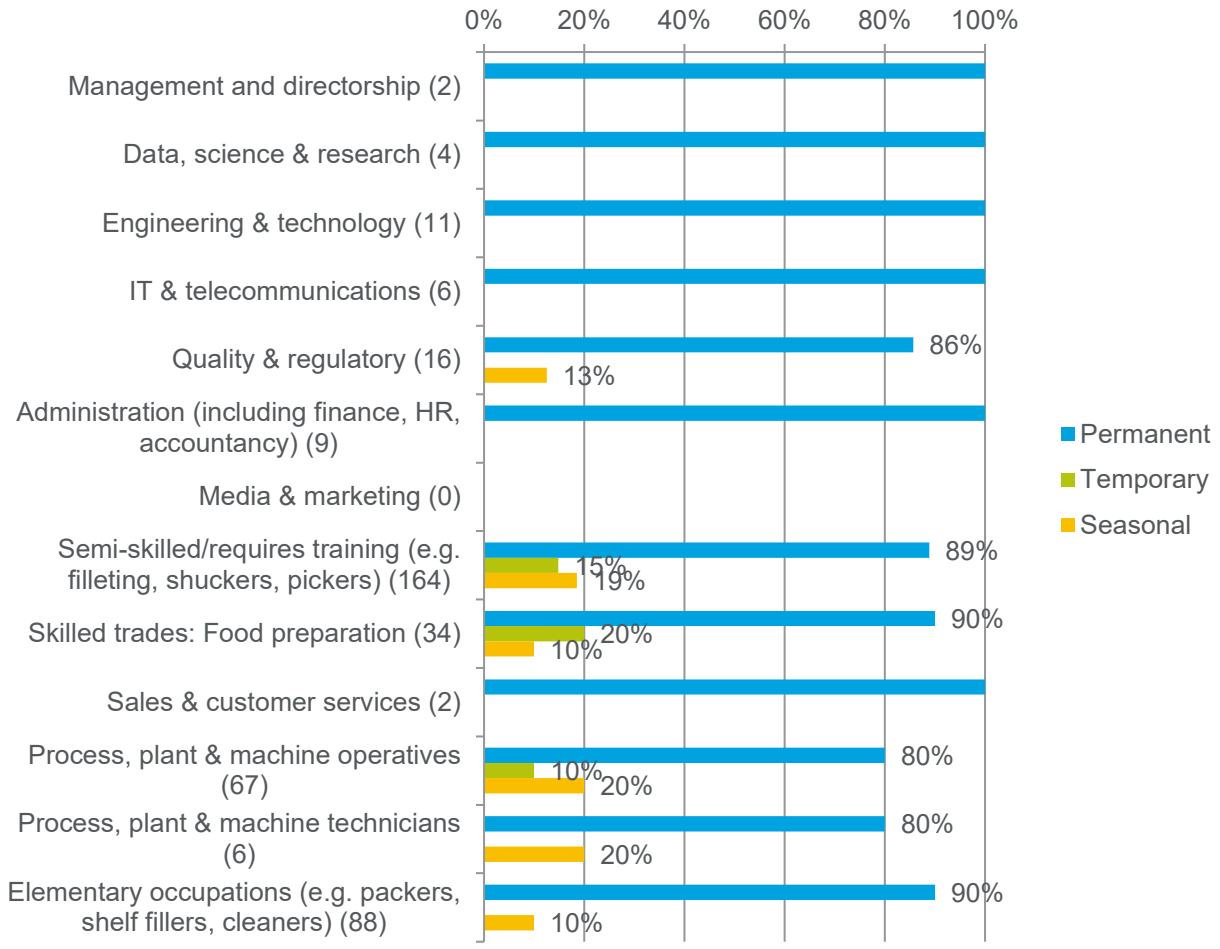

Figure 5: Number of vacancies in each job category at the time of the survey (May-July 2022) and percent of respondents that have vacancies by contract type (permanent, temporary, seasonal) for each job category (n=34).

Note: respondents were allowed to choose multiple options therefore the percentages calculated relate to total number of respondents that reported vacancies in specific categories.

Vacancies by job category in previous quarter (January to March 2022)

Respondents reported a total of 560 vacancies during January to March 2022 to specify those positions respondents were asked to select job categories they have positions opened for.

Similar to the responses regarding which types of jobs had vacancies during the period of May to July 2022, "*Semi-skilled/requires training (inc. filleting, shuckers, pickers)*" was the most cited job category with vacancies during the period January to March 2022. 75% of respondents reported vacancies for positions in this job category (Figure 6). The next most cited job categories with vacancies were "*Elementary occupations (e.g. packers, shelf fillers, cleaners)*", "*Process, plant & machine operatives*", and "*Skilled trades: Food preparation*". About a quarter of respondents cited vacancies in each of these three job categories in January to March 2022. In the 'Other' category, two companies reported vacancies for "*Drivers*", and one company reported a vacancy for a "*Café assistant*".

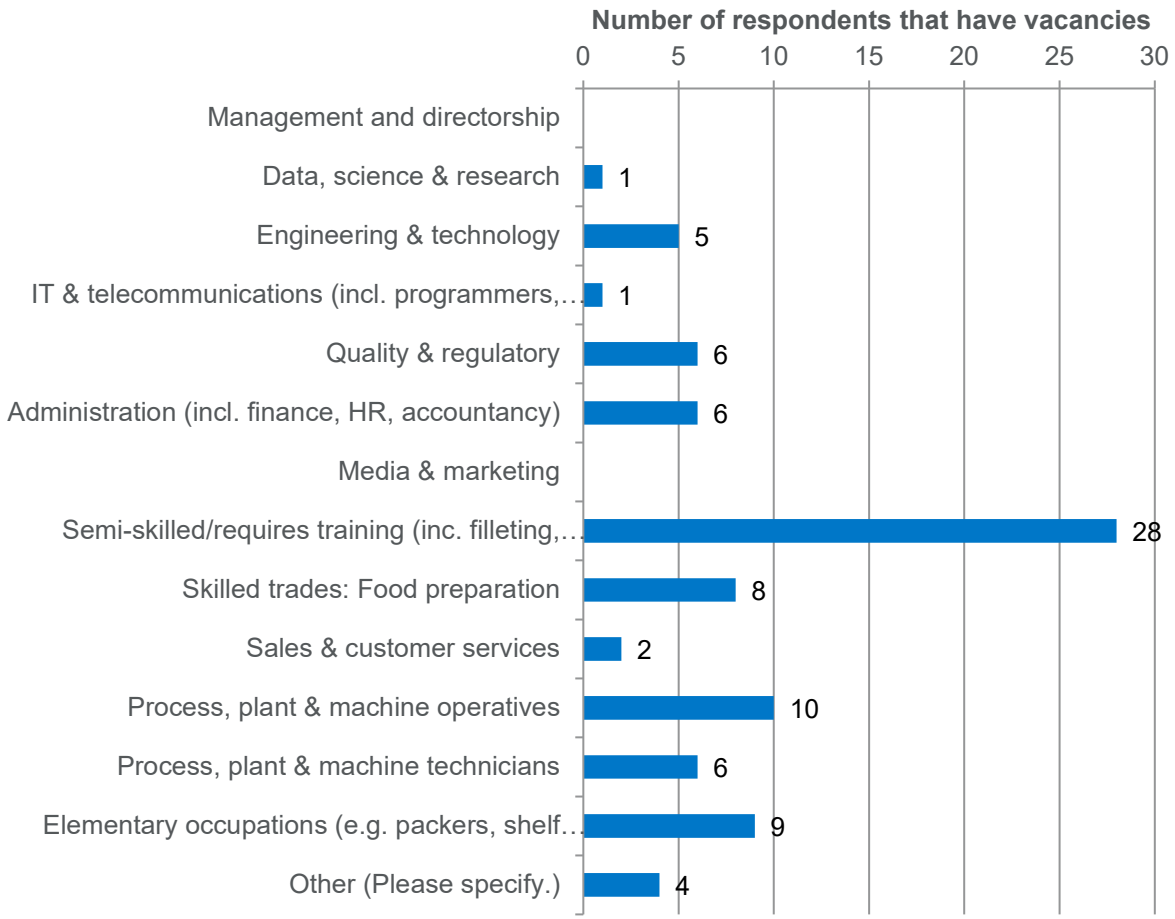

Figure 6: Number of companies with vacant positions by job category in January to March 2022 across all companies sampled (n=37).

Comparison of vacancies between periods (January- March 2022 vs May-July 2022)

The total number of vacancies reported for January to March 2022 and May to July 2022 were similar. Processors in Northeastern Scotland (Grampian) and in the Highlands and Islands regions of Scotland reported the highest number of vacancies in both periods. Companies in the Highlands and Islands region reporting a sharp uptick in vacancies between January to March 2022 and May to July 2022 (Figure 7).

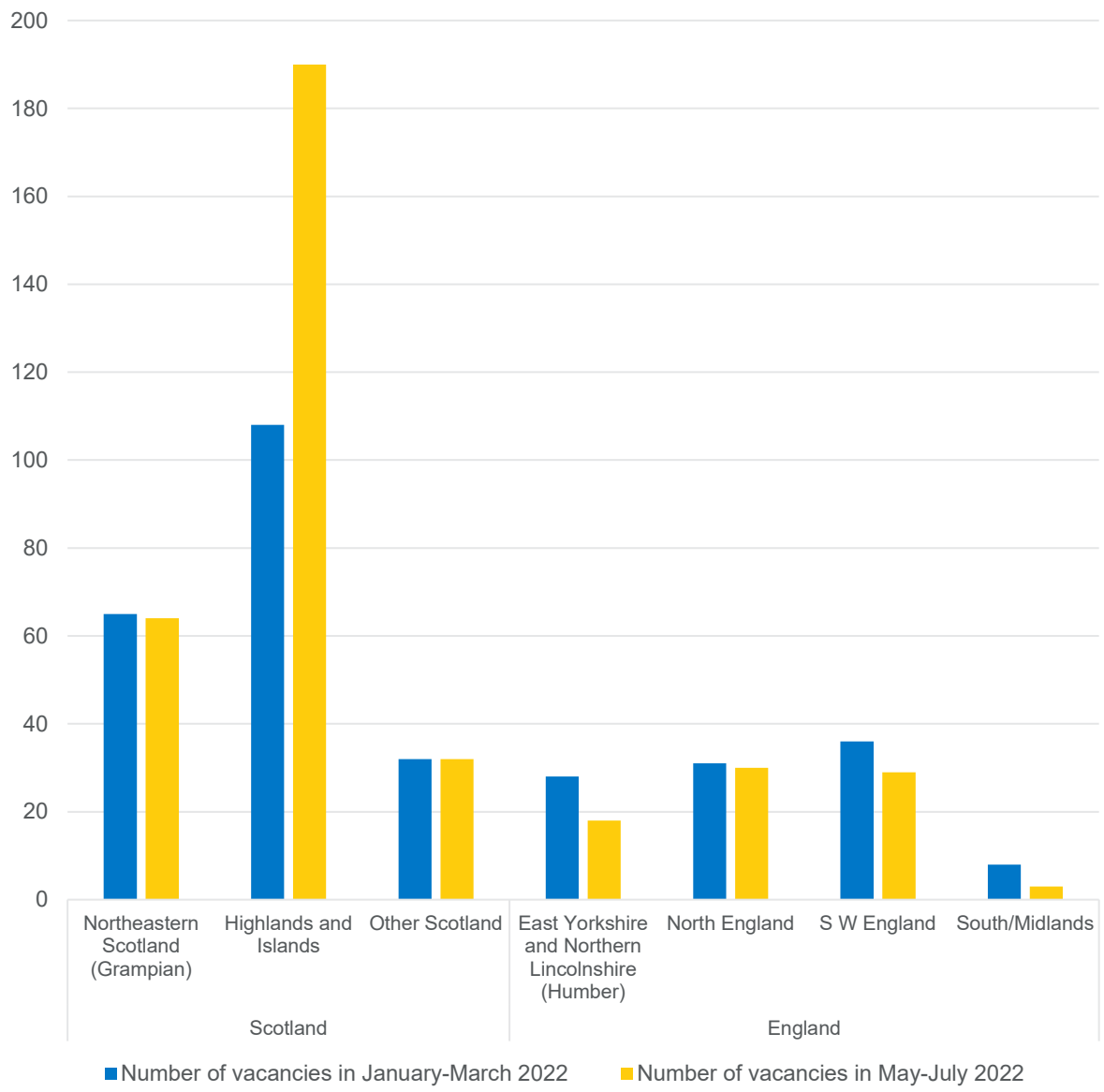

Figure 7: Reported number of vacancies in January-March 2022 and during the survey (May-July 2022), by region.

4. Ease of recruitment

Current vacancies (May to July 2022)

Overall, the position that the largest proportion of respondents (26%) reported was easy to fill vacancies for was *"Administration (including finance, HR, accountancy)"* (Figure 8).

None of the respondents reported that positions in *"Management and directorship"*, *"Data, science & research"*, *"Skilled trades: Food preparation"*, *Process, plant & machine operatives"*, or *"Process, plant & machine technicians"* were easy to fill.

The position that the largest proportion of respondents (76%) felt was hard to fill was *"Semi-skilled/requires training (including filleting, shuckers, pickers)"*. More than half of respondents also reported positions in *"Elementary occupations (e.g. packers, shelf fillers, cleaners)"*, *"Skilled trades: Food preparation"*, *"Quality & Regulatory"* and *"Process, plant & machine operatives"* were hard to fill.

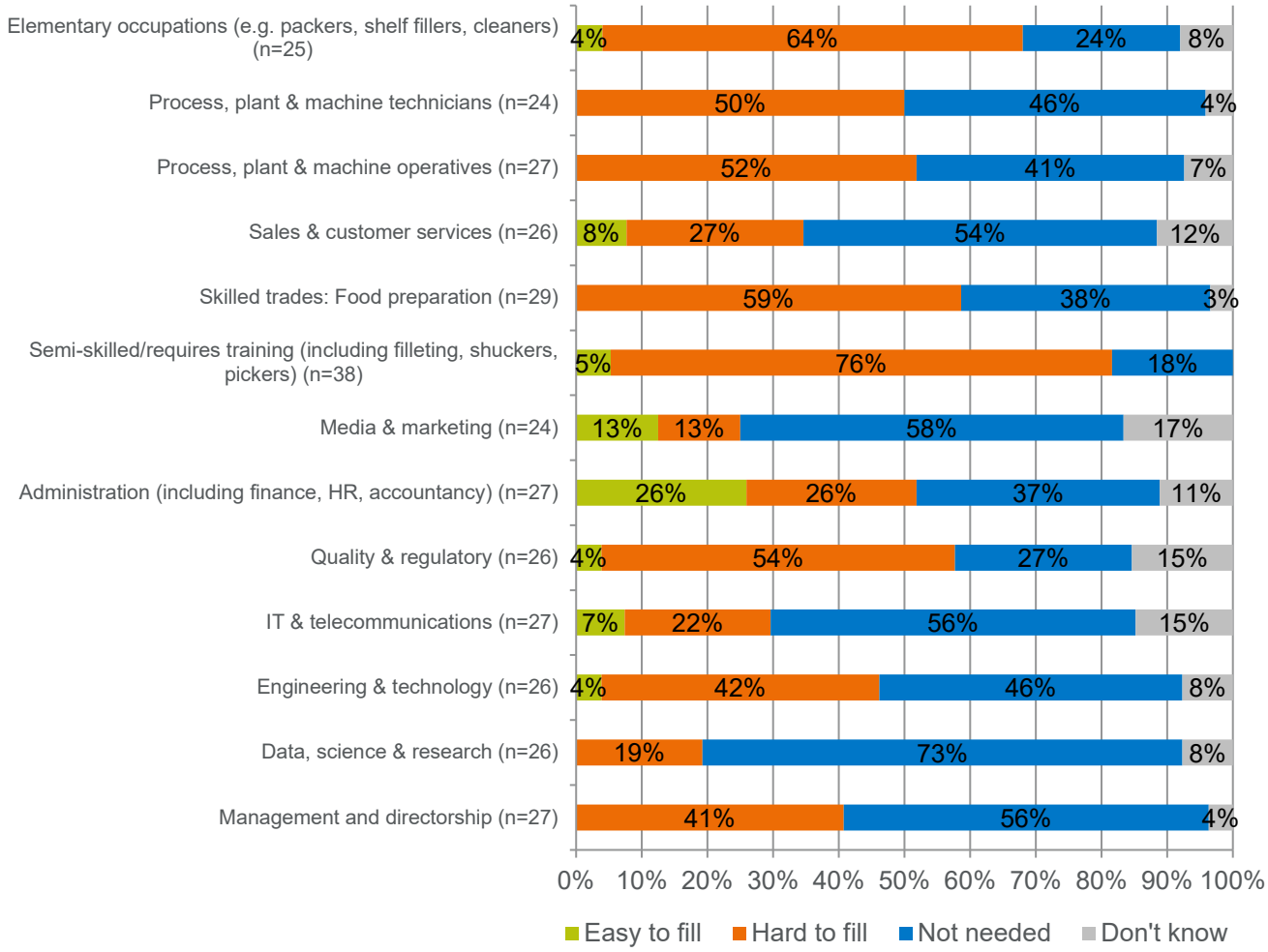

Figure 8: Ease of recruitment for different types of positions in May-July 2022 (n=41).

Vacancies in the previous quarter (January to March 2022)

Overall, most processors (nearly 70%) found it difficult to recruit workers during January to March 2022 (Figure 9). Only 7% reported that it was easy to recruit workers during this period.

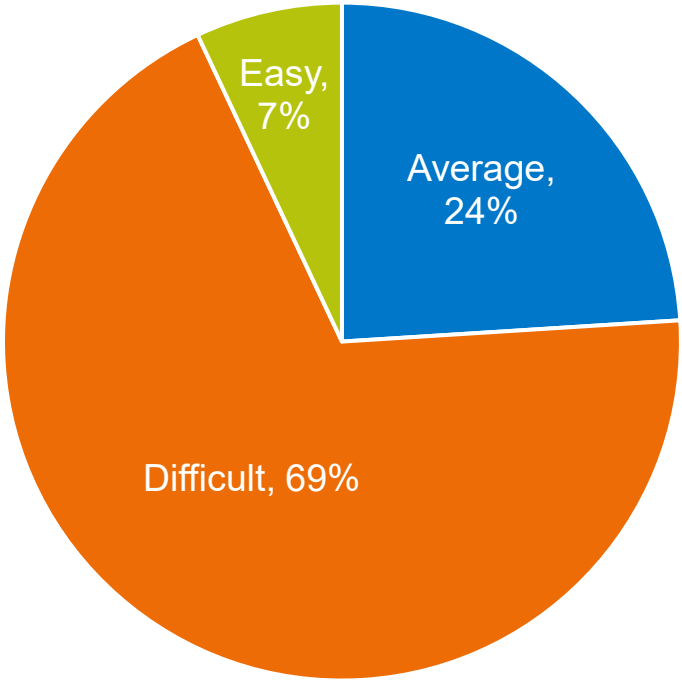

Figure 9: Overall ease of recruitment for the period January - March 2022 (n=42).

Respondents were also asked to explain why recruitment was easy, average or difficult for their business during January to March. 24 companies provided an explanation. Of these, 4 reported 'average' ease of recruitment and 20 reported 'difficult' ease of recruitment. Explanations included:

- 7 respondents cited a lack of interest/desire to work in a factory
- 5 reported a lack of skilled workers
- 3 mentioned difficulties in finding accommodation for workers, especially in more remote locations
- 3 cited competition for labour from other businesses
- 3 reported issues with candidates not showing up to interviews or leaving the job shortly after being hired

All respondents from the smallest companies (1-10 FTEs) said it was difficult to recruit during the period of January to March 2022 (Figure 10). The size bands with the lowest proportion of respondents to report that recruitment was difficult were mid-sized companies (26-50 FTEs and 50-100 FTEs). Amongst the largest companies (100+ FTEs), most respondents (75%) found it difficult to recruit in January to March 2022.

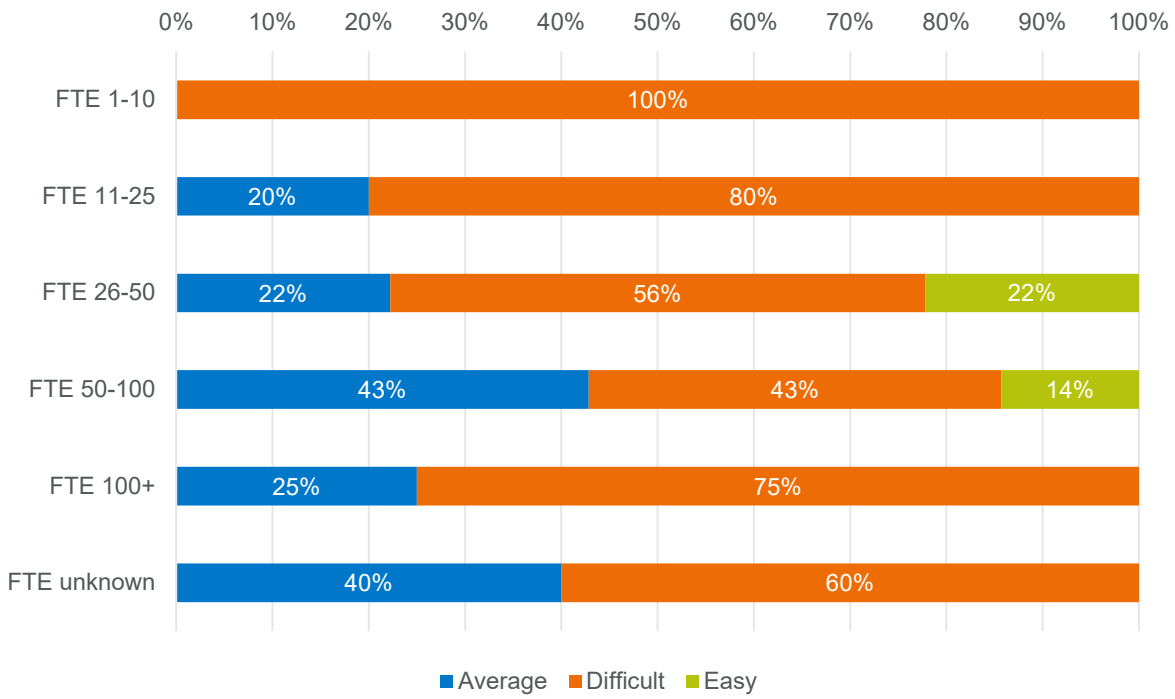

Figure 10: Ease of recruitment by company size band during the period January to March 2022 (n=42).

While processors were not asked how easy it was to recruit at the time of the survey (May to July 2022), the number of reported vacancies was higher in May to July than January to March, suggesting that recruitment may have become more difficult. However, some businesses may also require more workers during the summer months.

Vacancies compared to January to March 2019[7]

In previous quarterly reports, processors were not asked how easy it was to recruit during a particular period, but instead were asked whether recruitment had gotten easier or more difficult, compared to the previous quarter. In the previous quarterly reports, most processors reported that there was no difference in ease of recruitment between quarters. However, in the final quarterly report of that series (January to March 2019), one-third of processors that employed fewer than 50 FTEs reported that they found it more difficult to fill vacancies than in the previous quarter (October to December 2018).

[7] Labour in UK seafood processing January to March 2019 https://www.seafish.org/document/?id=86c0ba38-e602-4c74-9f21-13df738a877b

5. Factors affecting ease of recruitment and retention in the seafood processing sector (2019 - 2022)

Processors were asked which factors they believed affected ease of recruitment in the period January to March 2022. Respondents were given a list of factors to choose from and asked to select all factors that applied to their business (Figure 11).

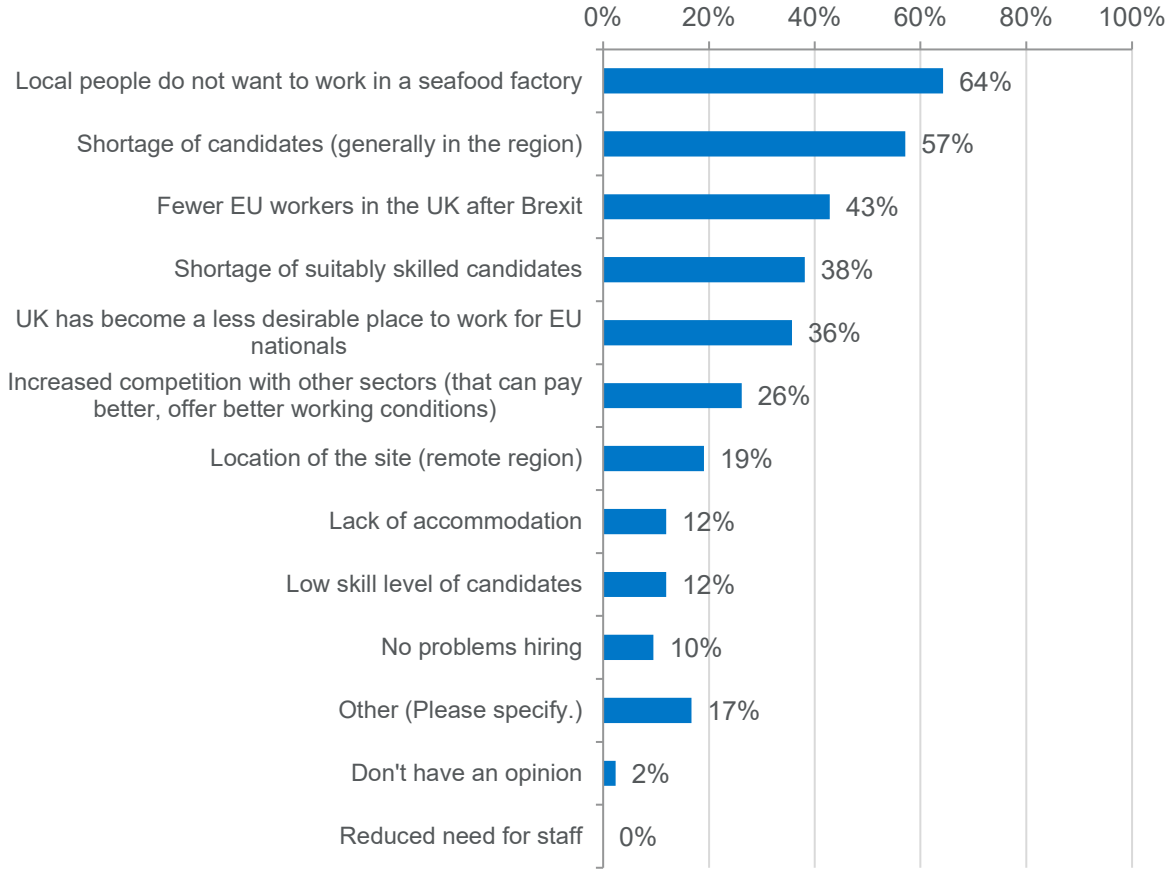

Figure 11: All factors affecting recruitment in January - March 2022 (n=42).

Of the 42 respondents, 64% reported "*Local people do not want to work in a seafood factory*" as a barrier to recruitment in January to March 2022. This is consistent with barriers to recruitment reported in the previous quarterly labour survey in 2019 (Figure 12).

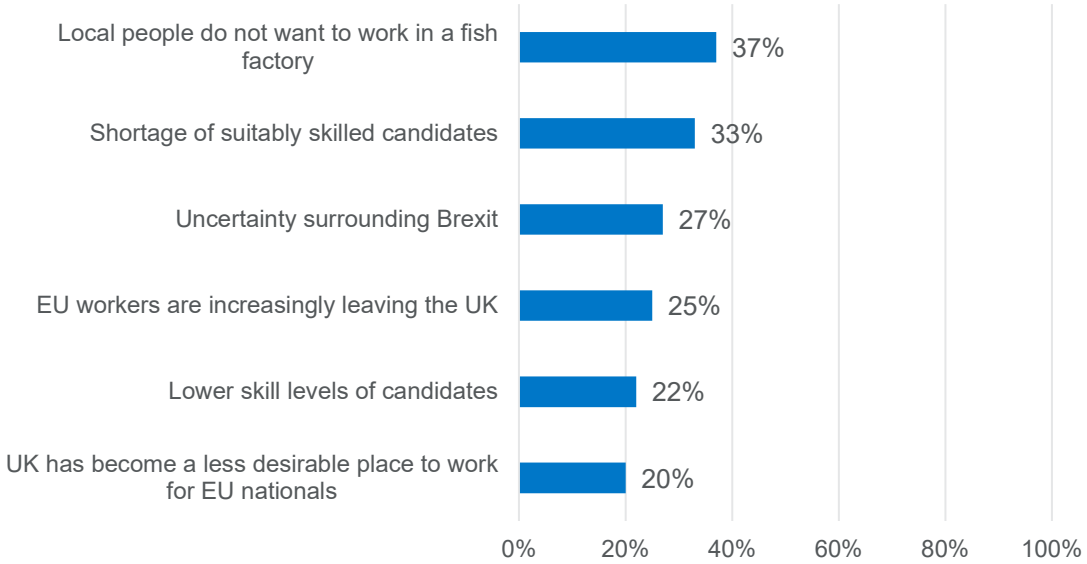

Figure 12: All factors affecting recruitment during April-June 2019 (n=51).

In addition to overall barriers to recruitment in the processing sector the survey asked specifically about barriers to recruiting British staff during January to March 2022. The most common reason given for why companies struggled to recruit British staff was that British people do not want to work in a seafood factory (77%). The second most common reason was competition from other similar companies/industries (44%), followed by low levels of local unemployment (28%) (Figure 13).

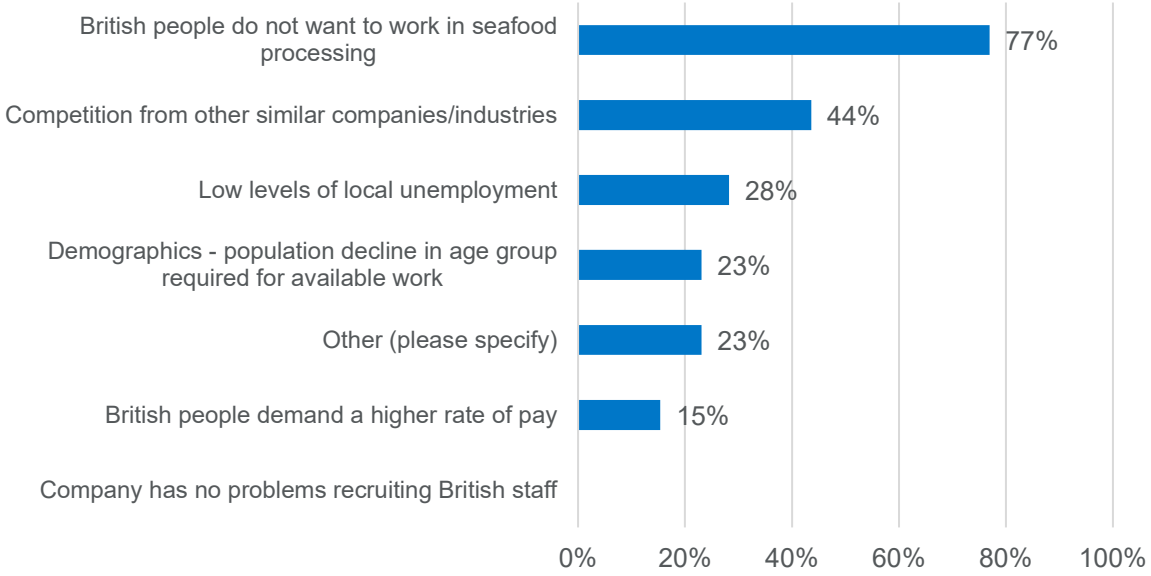

Figure 13: Barriers to recruiting British staff during January – March 2022 (n=39).

The sentiment that British people do not want to work in a seafood factory has not changed since 2019 (Figure 14). In 2019, “British staff demanding a higher rate of pay” and “competition from other similar companies/industries” were also commonly cited by respondents.

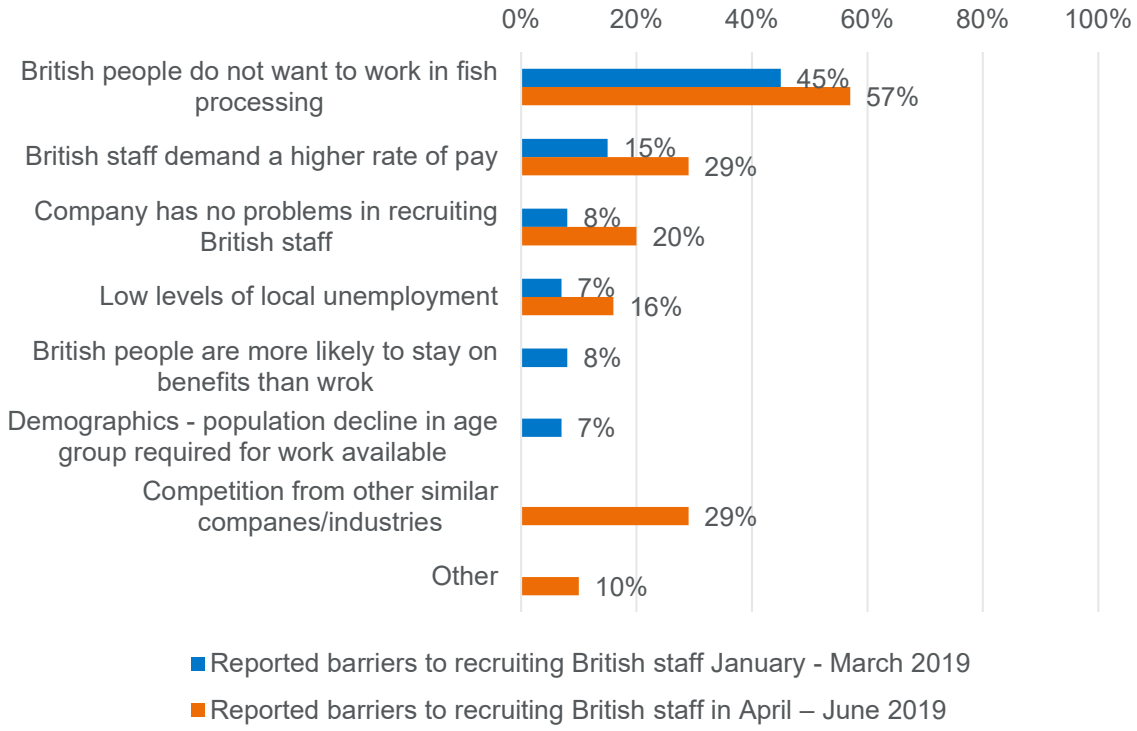

Figure 14: Barriers to recruiting British staff during January – March 2019 (n=60) and April – June 2019 (n=51).

Impacts of EU Exit on recruitment and retention

Comparing responses given for January to March 2022 against those given in April to June 2019 also suggests that the UK has become a less desirable place for EU nationals to work since EU Exit. Indeed, in April-June 2019, 25% of respondents reported that EU workers were increasingly leaving the UK and 20% reported that the UK had become a less desirable place for EU nationals to work (Figure 12). For the period January to March 2022, 43% of respondents said there were fewer EU nationals in the UK after EU Exit and 36% felt that the UK had become a less desirable place for EU nationals to work (Figure 11).

When asked specifically how changes to migration policy since EU Exit had affected their ability to recruit and retain sufficient staff since 2020, most respondents reported a negative impact. Specifically, 23 reported a negative impact, 14 reported little or no impact and zero respondents reported a positive impact. A further four respondents said the question was "*Not applicable*" to their business.

Nearly all responses classed as 'Little or no impact' described migration policy as having "*No effect*," "*No impact*," or "*No problems*."

A selection of the responses given by the 23 respondents that felt the changes in migration policy had had a negative impact on their business's ability to recruit and retain staff are provided below:

> "*There are less people willing and able to work in the seafood processing sector. Existing staff are leaving the UK to go back to their home nation, but there are no*

new people moving over. We are therefore losing experienced and skilled staff and cannot attract, hire and train replacements."

"Less workers available who are willing to work in the industry. Even long serving members of staff returned to home countries."

"This has had a huge impact, we supported all staff on their right to remain applications but there is natural attrition from the staff base that we are finding difficult to replace."

"Brexit policy has had a very negative effect. We lost key staff who couldn't attain the right to remain. Seasonal staff which are key to the efficiency of the business have been very hard to recruit."

"We lost a lot of our EU workers who were the main contingent of our processing staff. We lost 13 in one day."

"Most of our scallop cutting jobs are currently undertaken by Eastern European workers. In general, UK workers are not interested in this work and its challenges."

"This hasn't affected us directly in terms of recruiting - It's affected our sales though, as almost all/most of our customers are short staffed, therefore they are closing 1-3 days per week, which has resulted in a drop in our sales."

Impacts of Covid-19 on recruitment and retention

Processors were also asked how Covid-19 affected their companies' ability to recruit and retain sufficient staff between 2020 and 2022. 15 companies reported little or no impact, 3 reported a positive impact, and 19 reported a negative impact. Four respondents did not provide a clear answer to this question. Examples of responses provided by those that felt Covid-19 had little or no impact on their ability to recruit and retain staff include:

"Furlough allowed us to retain all our workforce."

"I would not say that Covid-19 (only) affected our ability to recruit and retain sufficient staff. I strongly believe it is due to changes to migration policy."

"Despite the lockdowns being in place, as a company, we continued to remain working. No staff were furloughed or left the company during this time. We did not recruit during this time."

Examples of the responses given by those that felt Covid-19 had a positive impact on their ability to recruit and retain staff are listed below:

"Covid-19 actually helped our sector as we had migration from sectors that were closed, i.e. hospitality."

"The site remained open, labour turnover drastically reduced as people were not actively seeking new employment."

Examples of the responses given by those that reported a negative impact from Covid-19 on recruitment and retention of staff include:

> *"Getting people back to work after long periods of furlough was extremely difficult."*
>
> *"Some staff left after furlough ended. Business dropped considerably, however it picked up almost immediately after lockdown, making things very difficult. We are currently not taking on new business for fear of not coping."*
>
> *"Since Covid-19 we have noticed a sharp increase in candidates who say the job is not for them, they do not like the environment, or do not like being told what to do, or asked to improve performance. Employee mental health has also deteriorated, this causes a higher turnover and higher absence levels among existing staff."*
>
> *"Many of our Eastern European workforce left us to return home and live closer to loved ones during the pandemic. Some of our staff have also been priced out of the local housing market as a result of people relocating to rural areas or purchasing second homes since the start of the pandemic."*

6. Strategies to recruit and retain UK staff

Recruitment method

Respondents were asked to report how they recruited permanent, temporary and seasonal staff in January to March 2022 from a list of options. "*Word of mouth" and "Online advertising"* were the most cited methods for recruiting staff (Figure 155). "*Facebook*," "*Instagram*" and "*Indeed*" were all cited as popular online platforms used to recruit workers.

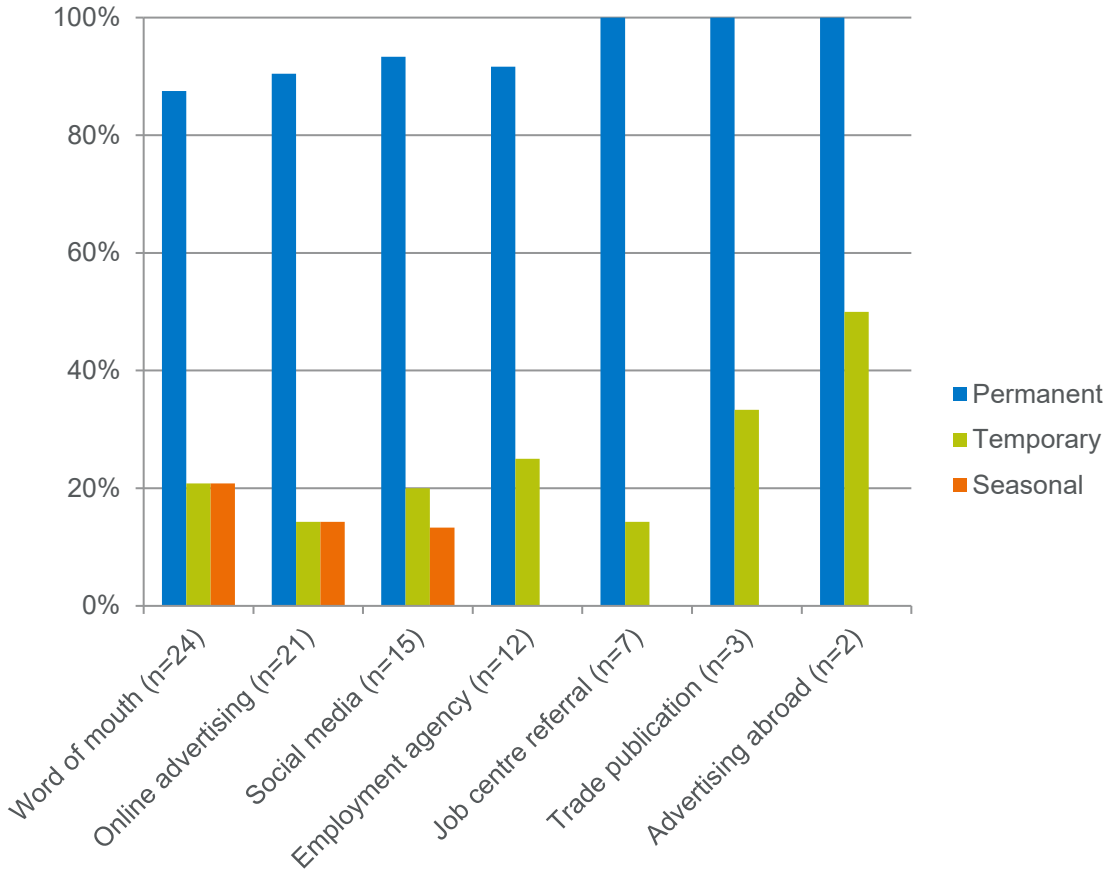

Figure 15: Methods of recruitment by contract type for the period January-March 2022 (n=29). Respondents were asked to selected all that applied.

Overview of strategies

Respondents reported a range of strategies used to recruit UK workers, including online advertising, increasing pay rates, scholarships, apprenticeships, and targeted local approaches (e.g. schools). The most cited strategy was "*job centres*", which was mentioned eight times. "*School & college visits*" were mentioned six times, and apprenticeships were mentioned four times. Six processors mentioned offering "*Training & development opportunities*" to attract employees. Three processors mentioned increasing pay or benefits.

When asked for further information on strategies used to recruit and retain existing members of staff, many respondents cited "treating staff well" and "providing a healthy

work environment" as ways of reducing staff turnover, in addition to paying their employees a living wage and offering flexible working hours. A sample of specific responses are provided below:

> *"We currently offer a scholarship consisting of the various food hygiene and processing training modules created from day-to-day processing requirements and working practices."*
>
> *"Engaged with local job centre, local schools and colleges, attended careers fairs. During the recruitment process, managers explain about the various training and development opportunities - modern apprenticeships, chance for promotion."*
>
> *"We advertise career opportunities in our sector across the broad spectrum of disciplines in our business (e.g. Technical, Sales, Admin, HR, etc). Those that start on living wage roles have the opportunity to grow within our business... if they want!"*
>
> *"Review and launch new benefits (rate of pay, free company transport, bonuses, career development, training (external and internal), increased annual leave entitlement, flexible working arrangements, engagement workforce - coffee shops, forums etc. ...)"*
>
> *"Increasing pay rates, introducing apprenticeships, career paths where employees can progress at their own pace based on skills acquisition. Plus:*
>
> - *international agency recruitment,*
> - *investment in training & development,*
> - *automation of many tasks that were formerly manual,*
> - *introduction of new, family-friendly shift patterns*
> - *introduction of increased pay rates*
> - *retention awards"*
>
> *"Training to work with schools and colleges to educate on the sector. Built and bought housing to support relocation."*

Respondents were also asked which of the specific recruitment strategies they had used were successful in recruiting UK staff. The most common response was that no strategies had been successful (8 companies), or that they had experienced little success (4). Strategies that were cited as successful included online advertisements (2), scholarships (1), housing support (1), agencies (1), apprenticeships (1), increased rates of pay (1), flexible hours (1) and the visa scheme (1). According to one response, the visa scheme is: "*not really successful itself, just the only viable option at the moment.*" Other responses included:

> *"All introduced strategies have been positive… however the recruitment of low skilled roles remains a great challenge."*
>
> *"All [strategies have been successful], but to a limited extent - they all contribute to making us more attractive but ultimately we still have vacancies."*

Respondents were also asked which strategies had not been successful. Seven companies reported that no strategies had been successful. The most cited strategy

that had not been successful was the use of job centres (3). Other strategies deemed unsuccessful included mass recruiting (2) and apprenticeships (1).

Working with the Department for Work and Pensions (DWP)

Respondents were asked whether they had had success working with the Department for Work and Pensions (DWP) to help with recruitment and retention. Most respondents reported that they had either not found success working with the DWP, did not know or did not answer. Analysis of why the DWP hasn't worked for processors thus far is speculative, as no respondents offered further information regarding the reasons for their response (Figure 166).

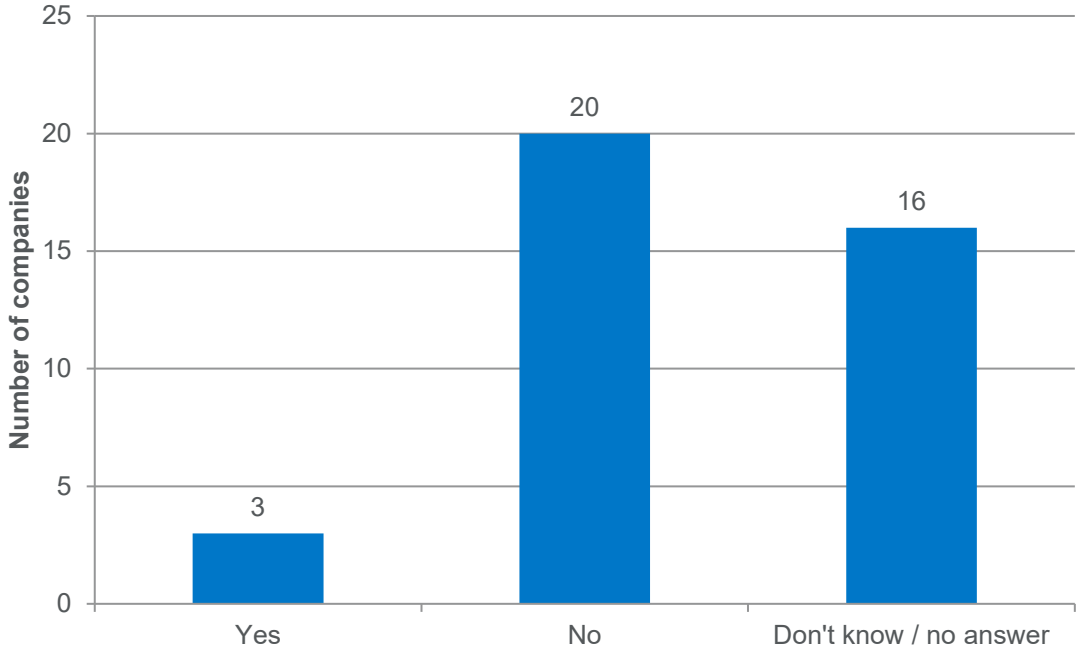

Figure 16: Reported level of success working with the Department for Work and Pensions on recruitment (n=39).

Apprenticeships

Around half of companies (47%) reported investing in apprenticeships as a strategy to boost recruitment and retention.

Most of the companies that did not invest in apprenticeships said it was due to a lack of resources, support or information (11), or because apprenticeships were not suited to the types of positions that were vacant (3). Two further responses are provided below:

> *"We tried but training is not available in our area. No one wants to come here and so everything is delivered online which is not suitable for the skills we need to teach."*
>
> *"Every apprentice we have taken on and trained - mainly in the engineering team - has left almost immediately to work for another local employer."*

Companies that did invest in apprenticeships provided a range of reasons for doing so. Some reported that investment in apprenticeships was part of the company's values to develop talent and recruitment. Two companies considered apprenticeships a future investment, two others stated that apprenticeships were a way of upskilling existing staff, and a further two said they used apprenticeships as a recruitment strategy. Another reason for investing in apprenticeships is given in the response below:

> *"If there is no international labour arriving, the only source of new labour (as opposed to those poached from elsewhere) is education, or those changing sectors. On that basis, better to: a) grow our own talent; b) be attractive to parents by offering a qualification; c) make sure those joining from other sectors reach 'skilled' levels as quickly as possible."*

The apprenticeships businesses reported offering were typically for roles in management or engineering. Apprenticeships for low-skilled jobs were not mentioned in any responses.

7. Strategies to recruit and retain migrant labour

Reliance on EU Labour

Respondents were asked whether they hired EU nationals before EU Exit. Nearly 80% of the 39 companies that responded reported that they did (Figure 17).

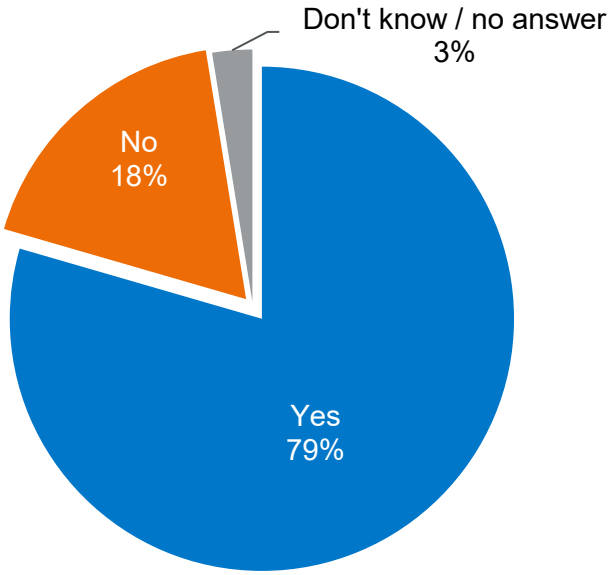

Figure 17: Percentage of companies that hired EU nationals before EU Exit (n=39).

Some of the businesses that reported employing EU labour before EU Exit also commented on changes since EU Exit:

> *"EU Exit has caused severe shortages of labour across many industries, the seafood sector is under threat if changes cannot be made to allow migrant labour to work."*
>
> *"The EU provided a reliable source of permanent/temporal/seasonal workers which was a win-win relation for both employee and employer. That is no longer available after Brexit and a lack of agreement with the EU."*

The Skilled Worker Visa route

Respondents were asked whether they had used the new Skilled Worker Visa route to recruit from abroad since January 2021. At the time of the survey, most companies (77%) had not (Figure 18). 15% had used the Skilled Worker Visa route and 8% either said they did not know or did not provide an answer to this question.

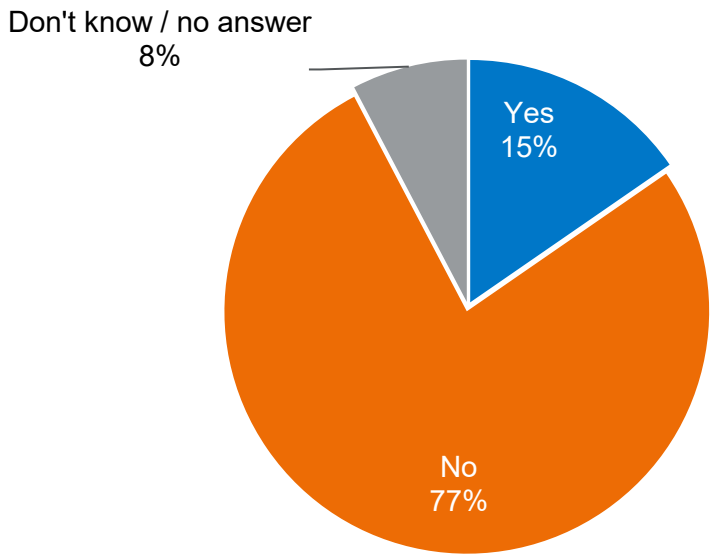

Figure 18: Percentage of companies who had used the Skilled Worker Visa route since January 2021 (n=39).

Those that had used the Skilled Worker Visa route were also asked how many vacancies they had been able to fill since 2021 using this route. Of the 11 respondents that had used the route, five said they hadn't yet filled any vacancies using the Skilled Worker Visa route. Three respondents said that they filled 1, 6, and 20 vacancies, respectively.

Of the remaining respondents, one had been approved for a license, and though they applied for 100 staff, they were only given a license for 12. Another respondent had not yet filled any vacancies using the Skilled Worker Visa route, but had been approved as a sponsor and reported that they would look to recruit this way.

Overall, only 12% of survey respondents had either been approved to use or were actively using the Skilled Worker Visa route to fill vacancies at the time of the survey. The Skilled Worker Visa route had been used to fill roles categorised as "*Semi-skilled/requires training (inc. filleting, shuckers, pickers)*" (3 companies) and "*Data, science & research*" (2 companies). One company also reported that they had used this route to hire "*veterinarians*".

For those that had not used the Skilled Worker Visa route at the time of the survey (24 companies), six respondents did not know about the Skilled Worker Visa route. A further 13 respondents suggested that the route was not applicable for their situation, either because recruiting locally was sufficient or because they needed to hire for roles not covered by the Skilled Worker Visa route.

Three respondents said they did not have the resources (i.e. time, finances, administrative support or accommodation) to apply for the Skilled Worker Visa route, and two respondents viewed the procedure as overly complicated.

A sample of the reasons given for not using the Skilled Worker Visa route are provided below:

> *"We have not been able to get in touch with people that are willing to come. We are also not getting a response from many agencies. The English test that people need to pass before being able to come to the UK is extremely difficult, even with good English."*
>
> *"The job starts on a no-contract basis."*
>
> *"This is something we are exploring but we don't want to have to renegotiate all pay terms because of this. We will explore offshoring processing as well as an alternative."*
>
> *"Staff that we require are not categorised as skilled workers, despite the fact that processing is a skilled job."*

8. Overview of seasonal staff

Respondents were asked whether they intended to hire seasonal staff at some point in 2022. Around 60% of respondents (42 companies) said they planned to hire seasonal staff.

Most of these companies said they would require additional seasonal staff during the summer months. January, February and March were the months in which the fewest companies reported a need for additional seasonal staff (Figure 19).

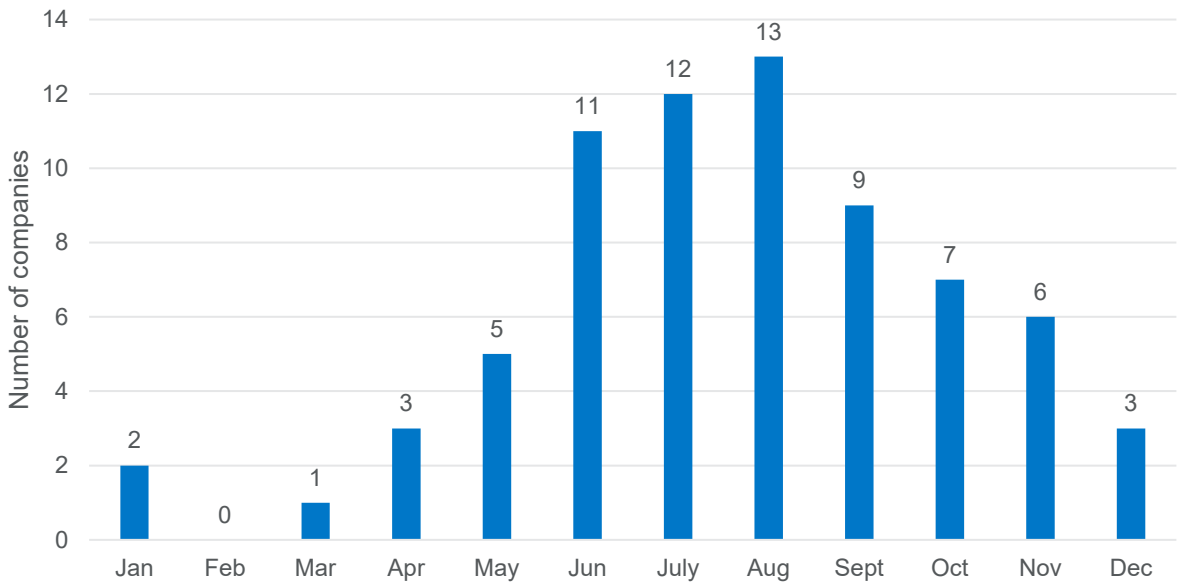

Figure 19: Months in which companies intended to employ seasonal staff in 2022 (n=21).

Though most businesses said they did not require additional seasonal staff during January to March, those that did aim to hire seasonal staff in January to March 2022 reported that they were unable to hire the desired number of additional staff.

9. Confidence in ability to recruit and retain sufficient staff

When asked in May to July 2022 about their confidence in their ability to recruit and retain sufficient staff in the next three months, respondents were generally confident in their ability to retain current high- and low-skilled staff but were slightly- to very doubtful about their ability to recruit enough staff across all job skill levels (Figure 20).

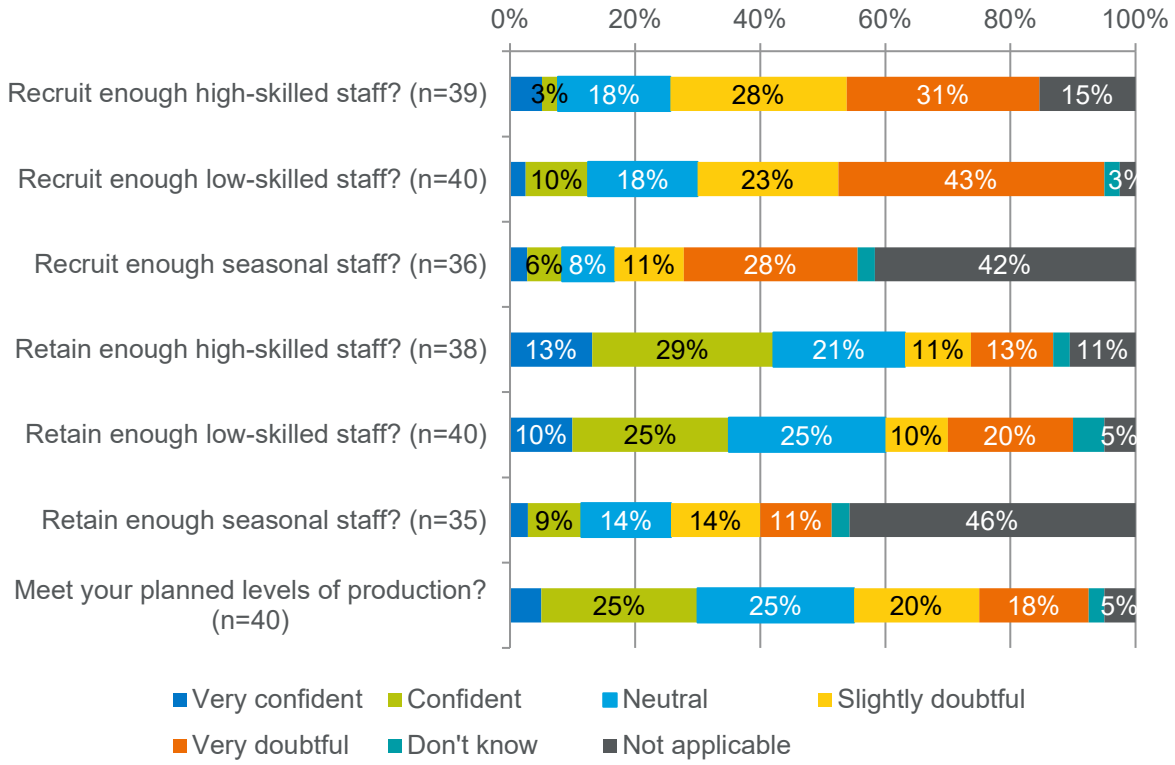

Figure 20: Confidence in ability to recruit and retain staff in the next three months and meet planned levels of production, by job skill level (n=40).

Compared to the period April to June 2019, respondents were less confident in their company's ability to meet planned levels of production in May to July 2022. In April to June 2019, 60% of respondents were confident in their ability to meet planned levels of production in the next three months, compared to 30% of respondents in May to July 2022. It is important to note that these data represent different samples and are therefore not directly comparable.

Respondents' confidence in their companies' ability to retain enough seasonal staff in the coming months dropped from 27% in April to June 2019 to 11% during May to July 2022. Confidence in ability to retain enough low- and high-skilled staff was also lower amongst respondents in May to July 2022 than in April to June 2019.

Confidence in ability to recruit enough seasonal, low-skilled and high-skilled staff was exceptionally low during May to July 2022. Only 8-13% of businesses were very confident or confident in their ability to recruit sufficient staff in the coming months.

10. Company adaptations in response to recruitment issues

Potential adaptations

Respondents were asked how their company would adapt if they were unable to recruit enough workers. They were given a list of adaptations to choose from and invited to tick all that applied to their company. The most common response was to increase efforts to recruit locally, followed by reduction of production and turning down orders/contracts as well as increase of overtime available for existing employees (Figure 21).

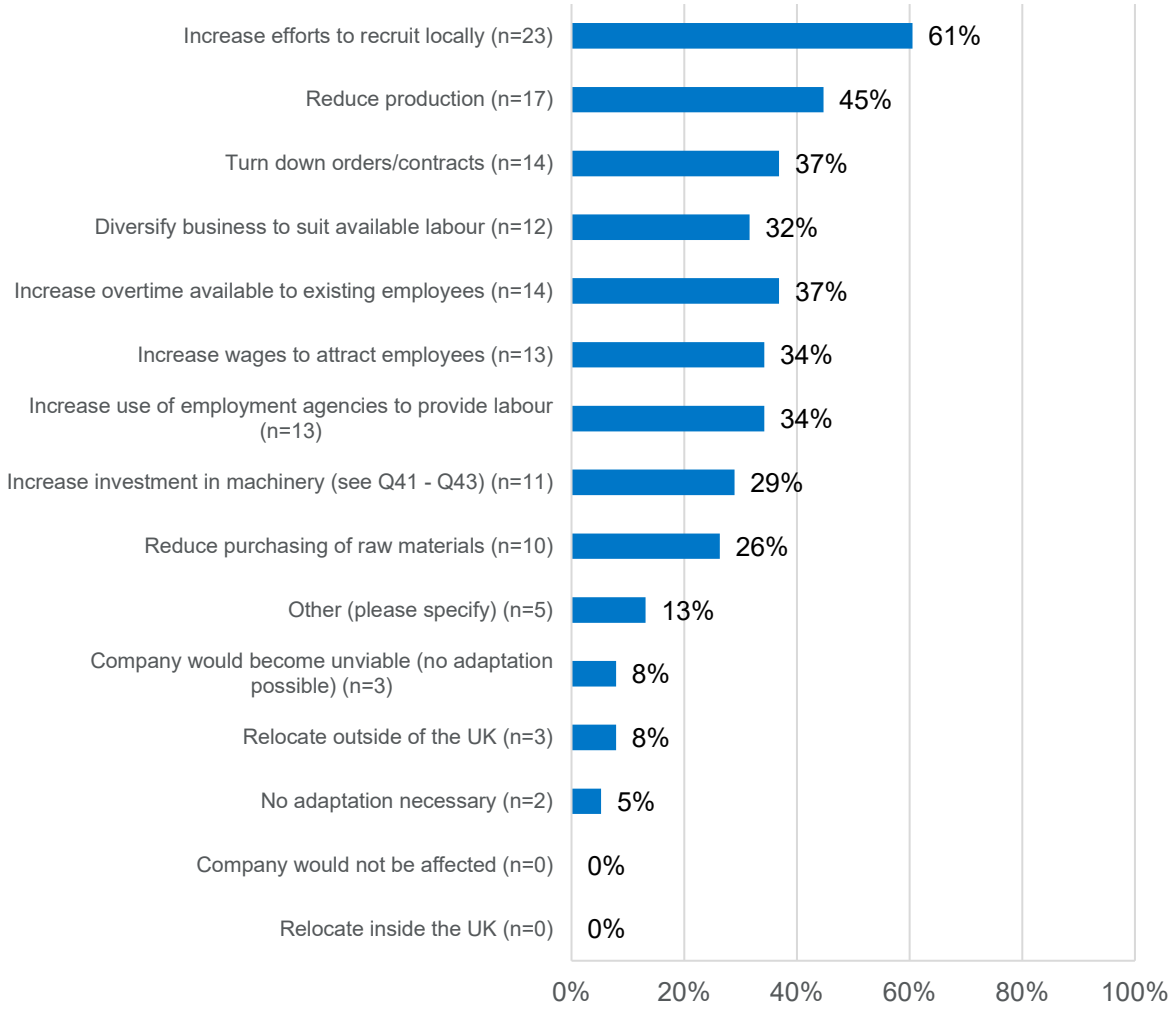

Figure 21: Adaptations companies would make if they could not recruit sufficient staff (n=38).

Additional, write-in responses included the following:

> *"Close the company."*
>
> *"Relocation may be considered if no changes in a long run."*

"We have a very close team, of which I'm quite confident they would be happy to do overtime to cater for increased business until the time we can find another member of staff suitable."

Adaptations since January 2021

Respondents were also asked how their company had already adapted to labour shortages since January 2021. Companies were given a list of adaptations to choose from and invited to tick all that applied. The most common adaptation companies had undertaken in response to labour shortages was to increase efforts to recruit locally (Figure 212). Other common responses included increasing wages and available overtime to current employees, followed by turning down contracts/orders.

Other write-in responses included the following:

"*Kept same staff but lower hours due to restaurants being closed/restricted.*"

"*In general we have had more staff than we needed as orders were reduced during the pandemic.*"

"*Paid more to suppliers to process (to a certain extent) the fish themselves.*"

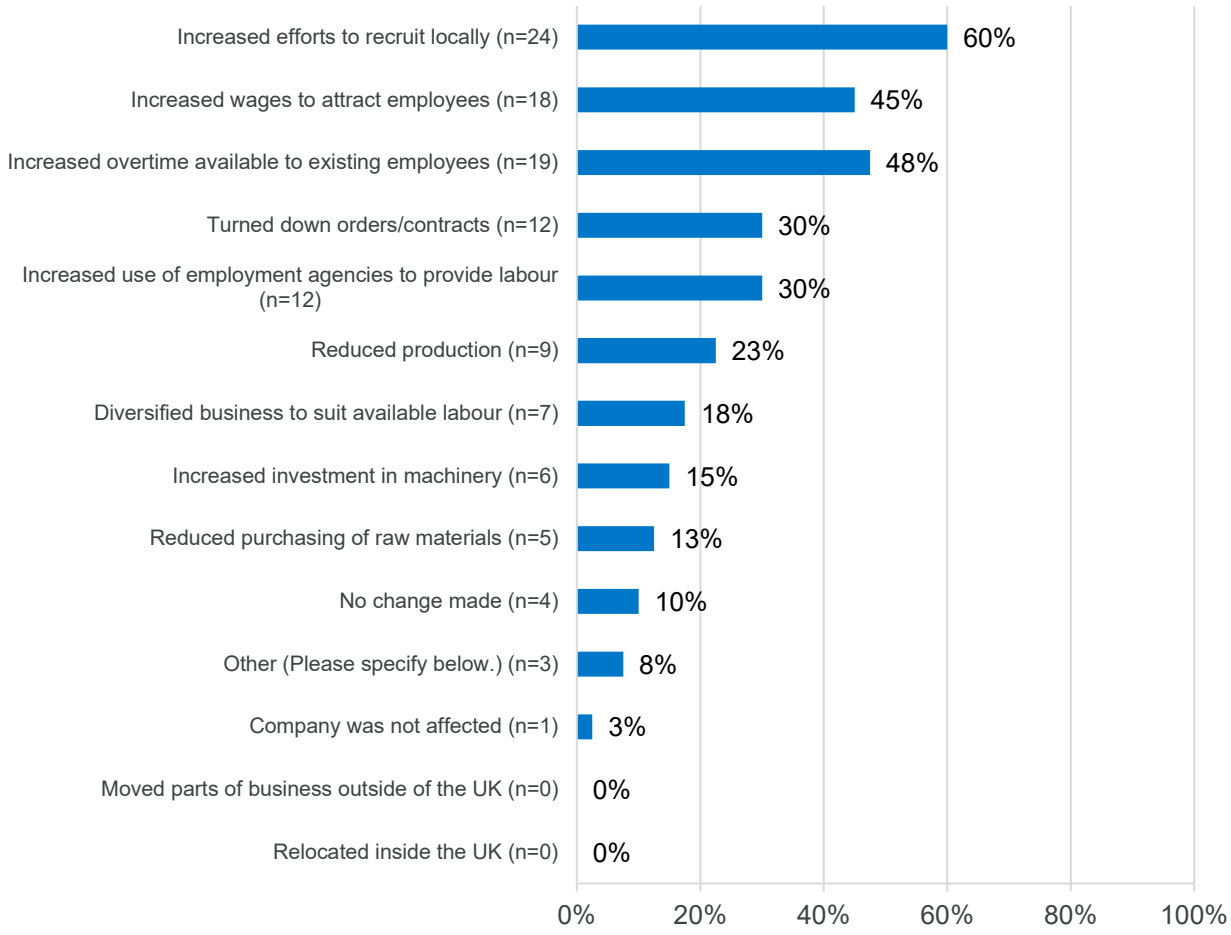

Figure 22: Adaptations companies have made since January 2021 if they could not recruit sufficient staff (n=40).

If they had reduced production or turned down orders/contracts since January 2021 due to labour shortages, respondents were then asked to estimate the scale of business lost.

Eleven respondents reported lost turnover ranging from 5-50% of total annual turnover (average of 18%). One respondent estimates losses to be £5m in lost business opportunities, while another estimated losses of £2m. A further four respondents were unable to quantify losses in monetary terms.

Respondents were asked to provide any further information about changes they had made since January 2021 in response to labour shortages. Two respondents said their companies were forced to close some of their factories or branches of their business. Three respondents said they reduced their services, cutting down on production or turning away business, and one respondent said they used the Skilled Worker Visa route to bring in more staff. Another respondent reported offering in-house training to upskill existing staff and one final respondents reported that management had to help on the production lines which was not sustainable.

Role of automation in adaptive strategies

Respondents were asked whether they would increase investment in machinery to automate processes in response to a shortage in labour. Four respondents mentioned investing in filleting machines. Five respondents mentioned investing in other machines, such as scaling, sorting and packing machines. One respondent mentioned increasing freezing capacity, and one mentioned automating factory lines.

Three respondents stated that investment in machinery would not be feasible either due to the size or expense of the investment. Two respondents reported that machinery was not available for the type of work that they would need to automate. Two respondents mentioned that while procurement of machines was feasible, they either couldn't find operatives to work the machines, or the quality of the work conducted by the machines was poor.

When asked what the expected business impact of investing in machinery would be on staffing requirements, six respondents said that staff numbers would remain the same and their outputs would increase. A further six respondents expected that investing in machinery would reduce their staff requirement, and one respondent said that staff requirements would increase if they invested in more machinery. The remaining 10 respondents were uncertain about the impact of investing in machinery on staff requirements.

Asked how much automation would help labour shortages, six respondents thought automation would be very helpful, five thought automation would be somewhat helpful, and eight thought automation would have little or no impact on labour shortages. Five respondents also felt that machinery would not be able to adequately replace human labour, especially for processes such as handpicking.

When asked which roles could not be automated, respondents provided a diverse range of answers. Overall, respondents felt that most roles could not be automated. Specifically, packing, driving, quality control, machine operation, shucking and filleting

were all seen to be difficult to automate. However, one respondent reported that in their business, if they had the investment, most factory roles could be automated.

11. Other employment conditions and renumeration

Respondents were asked where most of their employees lived to provide additional context to survey responses. Most employees lived locally, or within 10 miles of the business (Figure 223). Less than a fifth of respondents reported that the majority of their employees lived over 10 miles away.

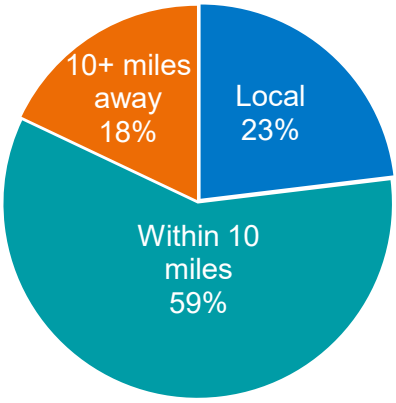

Figure 23: Geographic area where most companies' employees live (n=39).

Respondents were also asked about the lowest hourly wage their company offered (Figure 24). There is much more variability reported amongst smaller companies than larger companies in terms of the lowest wages offered. Of all respondents, companies in the smallest size band cited both the highest and lowest minimum hourly wages offered. However, the average lowest hourly wage offered by companies in the sample was similar across size bands (around £10/hour).

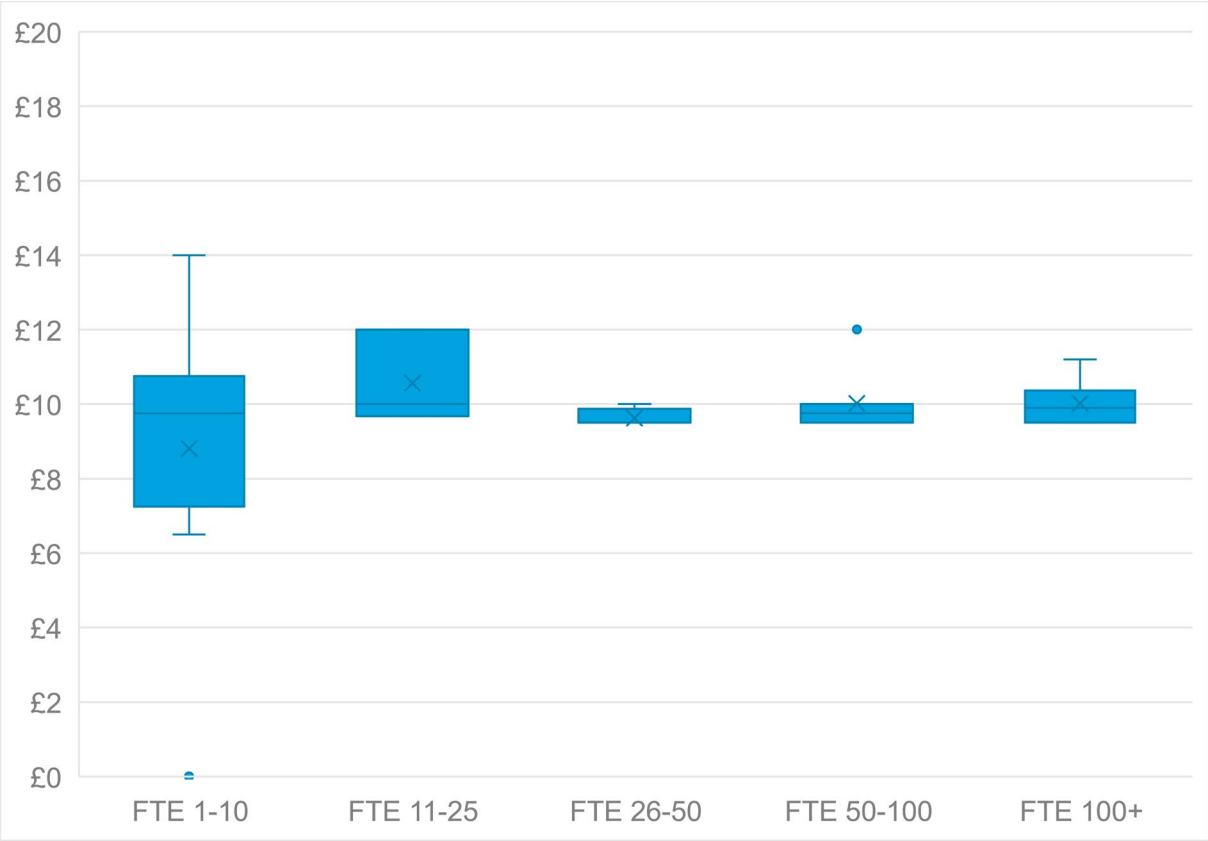

Figure 24: Lowest hourly wage offered by companies, by size band (n=29).

Respondents were also asked about the highest hourly wage they offered for factory floor workers (Figure 245).

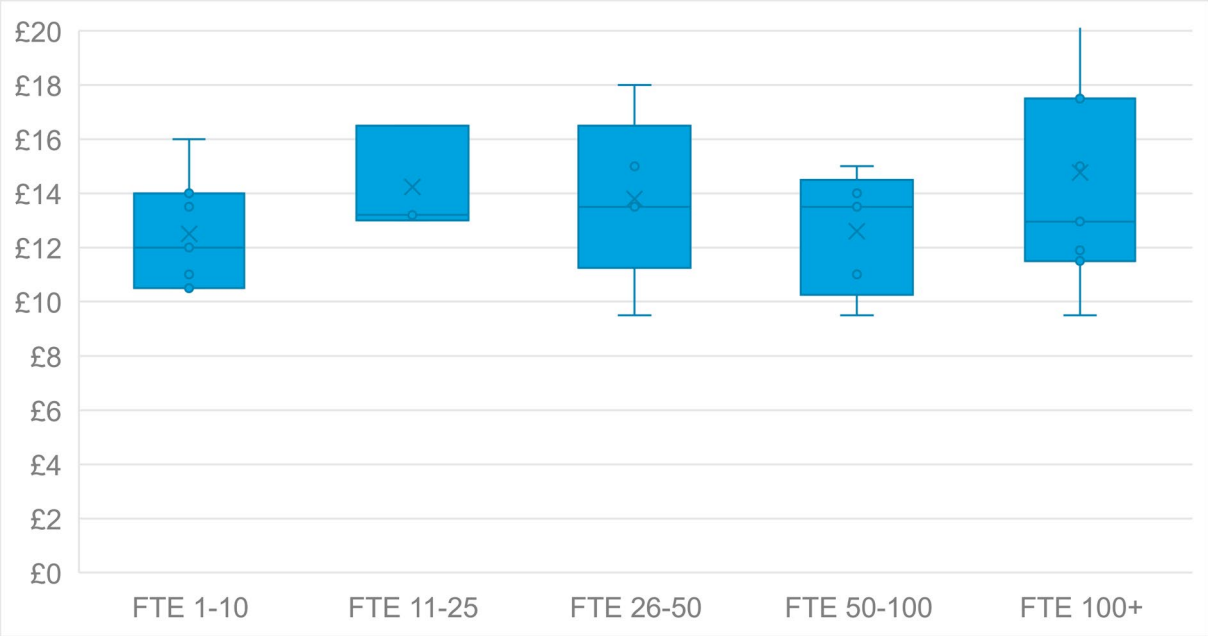

Figure 25: Highest hourly wage offered by companies for factory floor jobs, by size band (n=27).

Appendix 1: Survey form

Appendix 2: National Qualifications mapping

Position	Skill Level (1)	ONS codes used to determine skill level
Management and directorship	Highly	1121
Data, science & research	Highly	2119
Engineering & technology	Skilled	2122 & 2123
IT & telecommunications	Semi	5242 & 5245
Quality & regulatory	Semi	3565
Administration (including finance, HR, accountancy)	Skilled	2421 & 1135
Media & marketing	Skilled	3543
Semi-skilled/requires training (including filleting, shuckers, pickers)	Semi	5433
Skilled trades: Food preparation	Semi	8111
Sales & customer services	Lower	4151
Process, plant & machine operatives	Lower	8111
Process, plant & machine technicians	Lower	3116
Elementary occupations (e.g. packers, shelf fillers, cleaners)	Unskilled	9251 & 9134

(1) Skill Level	Description
Highly skilled	NQF 6+ (requiring a degree or professional qualification)
Skilled	NQF 6 (requiring a degree and experience)
Semi-skilled	NQF 3-4 (requiring experience and training)
Lower-skilled	NQF 2 (requiring some training or experience)
Unskilled	Below NQF 2 (requiring little or no experience)

Source: ONS Occupation Coding Tool (onsdigital.github.io)

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