Business Case Assessment: The Scottish Seafood Centre for Excellence

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1. Executive Summary

i. The assessment of the proposed Scottish Seafood Centre of Excellence (SSCE) as set out in the scope of this study is that it is not viable or advisable in the form described. While the concept of a SSCE is a good one, its development has to be led by the sector, serve the needs of the processors and must have buy-in from those it is serving.

ii. This report agrees with the recommendations made in the 2014 '**NE Scotland Fish Processing Strategy Report'** that it is the North East of Scotland as a region that should become the SSCE and not a single building or location. Any physical features of the SSCE should be located where they best suit the needs of the sector even if this means some facilities may be required in more than one location.

iii. With the current structure and relationships within the Scottish seafood sector, to achieve the vision for the SSCE needs to be developed in small steps, initially starting as a virtual entity while development plans are created. It must be driven by the sector, creating the aims, objectives and development strategy for the SSCE and will require that the majority of the sector buy-in to and support it to ensure it is effective and sustainable.

iv. The Scottish seafood sector as a whole needs to develop a brand based around quality. Excellence should also be part of this brand and the SSCE should be the means by which quality is created through training, innovation and collaboration, all things that will eventually establish the NE of Scotland as a Centre of Excellence.

v. Results from interviews with processors and stakeholders indicate that the sector is not well co-ordinated, with little integration or collaboration within or between the various parts of the supply chain. This is holding back both efficiencies and innovation within the sector.

vi. There is an aging workforce and poor infrastructure and there is little succession planning while many of the current businesses, especially the smaller ones are not looking to reinvest. Few are interested in new product development (NPD) or adding value in any way, although there are a small number that have developed added value products using their own resources.

vii. Current training is mostly focussed around filleting training, which many prefer to do in-house and statutory requirements such as Food Hygiene and Health and Safety, generally delivered by external providers. Many processors however do recognise that technical skills and knowledge will become increasingly important in the future including Quality Assurance, electrical, IT, engineering and business skills such as Account Management, Sales and Marketing.

viii. Most of the large processors have in-house training and NPD facilities but some indicated that they would still be interested in supporting a SSCE.

ix. Although many of the processors interviewed supported the idea of a SSCE, none wanted to contribute financially towards creating one and many did not offer much conviction about whether or how much they would use it.

x. Several agreed that incubator units could be a means of attracting new entrants into the sector, although there was little indication of any new entrants currently waiting to do so. Analysis of similar facilities elsewhere in the UK shows that they have been very difficult to run on a profitable basis and most units are now let on a full time commercial basis. It would seem very unlikely that dedicated incubator units for the seafood sector would highly utilised or financially viable but there may be an opportunity to work with other food and drink sectors to share these facilities.

xi. Creating a SSCE without strong buy-in from the sector, the potential users, as well as the uncertain utilisation levels and potential running costs, indicate that a SSCE as a single physical building is unlikely to be financially sustainable, even if public funds can be found to build it. Many of the SSCE elements envisaged in the scope for this report are necessary to help build the sector but the processors and other stakeholders need to drive these initiatives in a way that meets the sector's needs.

xii. This will require collaboration within both the processing and the whole seafood sector to devise a plan that will identify and deliver these needs. This will need to be organised and managed and there are several representative organisations within the sector that may be able to do this given the necessary resources.

xiii. The sector also needs to engage with the supply chain and wider food and drink industry. A number of industry stakeholders interviewed are aware of the potential that the Scottish seafood sector has and are very keen to engage with the sector to help it grow. These stakeholders include colleges, universities, associations and commercial businesses that have knowledge and facilities that could be available to the sector but apart from a very few exceptions it is not engaging.

xiv. In both the UK and other countries training, NPD and incubator units, as well as expertise, are often provided by academic institutes. This has the advantage that the facilities are used for teaching, research and by commercial businesses, helping to spread the costs. The institute may also be able to source research and other funding to assist commercial businesses, helping to also reduce the cost of any collaboration with business. The SSCE needs to engage with the Scottish colleges and universities that work in the food and drink sector to understand what opportunities and facilities are avaiable.

xv. With increasing demand for UK produced food with high levels of traceability there are significant opportunities for the Scottish seafood sector but to make the most of these it needs to collaborate and engage. The SSCE is a step towards doing this but it needs to be driven and supported by the sector, providing what is required in the most appropriate locations.

2. Introduction

i. This Business Case Assessment has been commissioned by Aberdeenshire Council to analyse the proposed development of a Scottish Seafood Centre for Excellence (SSCE) based in Fraserburgh to serve both the NE of Scotland and wider fish processing sector.

ii. The brief was to assess the potential demand, running costs and economic sustainability of a dedicated SSCE. Any recommendation to the potential location of an SSCE was not part of the brief.

iii. The proposal was that a SSCE should provide a number of functions:
   - To provide a tailor-made space to enable the delivery of high level skills to the Scottish seafood sector.
   - To act as a focus to raise awareness of the sector as a career opportunity and provide training to new entrants.
   - To create a hub to support start-up seafood businesses through the provision of incubator units and other support services such as advice in packaging, IT, QA and Accreditation standards, financial advice, careers etc.
   - Facilities to encourage and assist with New Product Development (NPD).
   - A kitchen/demonstration area for seafood-centred catering and hospitality training.
   - An area to engage with school parties and the public.

iv. The study undertook this assessment through:
   - Identifying, engaging and consulting with prospective users and relevant trade associations.
   - Seeking advice and views from wider stakeholders.
   - Consulting with potential businesses/partners in allied food sectors, exemplar organisations, training providers and specialists.
   - Consulting with potential funding partners.
   - Estimating the likely operational and overhead costs of the centre.

3. Scottish Seafood Sector Background

Key points relating to the Scottish seafood sector can be found in Appendix 1. Some factors of specific relevance to the development of a Scottish Seafood Centre of Excellence have been briefly summarised below:

i. Much of the domestic catch ends up in the export market where it typically gains a higher value than in the domestic market.

ii. The North East / Grampian regions of Scotland and Humberside in England dominate the processing industry. However figures show a decline of 3% in processors, and 4% in FTE jobs since 2012.

iii. The Grampian region had 56 seafood processing sites supporting 3,439 full time equivalent (FTE) jobs in 2016. (Seafish, **2016 Seafood Processing Industry Report***).*

iv. Scotland accounts for 35% of UK fish processing jobs with Scottish sites employing an average of 56 FTE jobs, the highest in the UK.

v. Raw material supply, regulatory and trade developments, skill shortages, securing finance and retailer pressure create problems for many businesses in the seafood processing industry.

vi. There is growing demand for seafood and signs of economic recovery which underpin industry confidence in the long-term sustainability and profitability of seafood processing in the UK.

vii. Seafood is a key component of the Scottish food and drink sector and a thriving food and drink sector is central to Scotland’s economy; supporting the whole supply chain from farmers and fishermen to local consumers and visitors.

viii. Across the food and drink industry businesses expect turnover to increase and growth will be achieved by a variety of means including entering new UK markets and new product development.

ix. Exploiting innovation and market opportunities will be key for NE businesses of all sizes and understanding and focusing on what is important to both the customer and the end consumer is paramount.

x. Growing strong, credible and sustainable brands will support Scotland’s global reputation as a Land of Food and Drink, and seafood businesses have a key role to play by building strong brands in the key food and drink categories.

xi. Trends such as Health, Provenance, Sustainability, Traceability and Convenience are all areas that Scottish seafood businesses can exploit and this can be supported through encouraging collaborative partnerships and the provision of training, advice and new skills development.

xii. The Farnet publication **Marketing the Local Catch** notes: *"The surge of local and regional foods is considered a countertrend against the globalization of trade in foods and converging demand patterns. This countertrend offers a real opportunity for local producers provided they can develop a special link with the consumer and supply them with high quality locally produced seafood*."

xiii. To achieve this will mean the industry needs to have the relevant business and production skills. Procuring and retaining skilled labour is a major issue across the whole Scottish Food and Drink sector.

xiv. The BREXIT decision will have a significant impact on the trading environment and businesses need to be informed, prepared and capable of dealing with issues and opportunities that will inevitably arise. A potential increase in the Scottish fish catch may have a downward effect on prices returned to the fishermen but this could be offset by increasing consumer demand for fish and seafood as well as the development of added value products.

xv. Fishing businesses have the opportunity to add value and increase efficiency in order to capitalise on future opportunities. There are already signs that some of the major retail and foodservice businesses are looking to source more products from the UK to: provide greater security of supply; reduce administration costs associated with importing goods; improving traceability and provenance. This is an opportunity for the Scottish seafood sector.

4. Methodology

i. In order to ascertain potential training requirements and demand for the proposed facilities interviews were conducted with owners and personnel from a range of fish processing businesses.

ii. This was facilitated by the Scottish Seafood Association (SSA) that hosted visits to Fraserburgh and Peterhead fish markets where interviews were conducted with individuals from a number of processing businesses of varying sizes. Several processors were also interviewed by phone, although not all those initially contacted were willing to be interviewed or returned calls.

iii. Resources within the project did not allow for the time to engage directly with all processors so to provide the opportunity for others to give their views a Survey Monkey online questionnaire was created and an invitation to participate circulated by email.

iv. There were responses to the online survey representing a range of business sizes. This survey helped to add further detail to the face to face and telephone interviews.

v. The combination of survey methods meant that the views were collected from an estimated 35% of the processor businesses in the NE of Scotland and a few from other areas in Scotland. A summary of results from the on-line survey can be found in Appendix 2 of this report.

vi. Consultations were held with a broad range of associations and other stakeholders directly involved with seafood sector, as well as those from the wider food and drink industry. This included interviews with the Peterhead and Fraserburgh Harbour Authorities.

vii. A range of academic organisations in NE Scotland were interviewed to gather their views of the proposed SSCE and to understand what they currently offer the sector and what they may be able to provide in the future.

viii. The Grimsby Institute was interviewed by telephone to understand what training and facilities they offer to the seafood sector in Humberside. The facilities and offering from the Billingsgate Seafood School was also investigated through desk research.

ix. Arranging interviews with retail and foodservice businesses proved challenging but telephone interviews were held with a small number of businesses from both sectors.

x. Telephone interviews were also conducted with a small number of businesses from allied sectors to discover what connection they currently have with the seafood sector and what interest they may have in a SSCE.

xi. Desk research was undertaken into centres that supported the seafood and other food and drink sectors in other countries and the UK. Unsuccessful attempts by both email and telephone were made to contact a number of these directly but few were willing to engage and those that did were reluctant to discuss details, particularly utilisation or financial information.

xii. Independent businesses that provide training to the Scottish seafood sector were also interviewed either face-to-face or by telephone.

xiii. Potential funding sources for the development of a SSCE were researched and a few were contacted to clarify eligibility and funding criteria.

xiv. An assessment of the likely operational and overhead costs of the SSCE was conducted using data from existing comparable businesses assessed by SRUC and commercial sources of comparative data e.g. Plimsoll Analysis reports (Business Centres sector).

5. Research Findings

i. This section reports on the research findings from the various organisations contacted in the process of delivering this project. Findings from the different organisational groups have been reported separately to add value to the analysis when determining the recommendations.

A. Responses from Processors

General Comments

i. "There is no Scottish seafood sector…." was a comment from one of the stakeholders interviewed for this report, alluding to the fact that it is made up of a number of different sub-sectors (e.g. white fish, pelagic, shellfish, salmon etc.) each with their own requirements.

ii. The sector is not well co-ordinated, with little integration or collaboration within or between the various parts of the supply chain. This is holding back both efficiencies and innovation within the sector.

iii. There is an aging workforce and poor infrastructure which over time will mean a reduction in the number of businesses. Many of the current businesses, especially the smaller ones are not looking to reinvest.

iv. There are some exceptions including some of the large processors, a few of which own their own fleet of fishing boats, or work directly with independent boats, as well as having their own distribution vehicles.

v. The majority of processing businesses in the north east are small to medium sized and most of these only undertake primary processing (e.g. filleting), while a small number do little more than wholesaling. Each processor is doing something slightly different, with their own requirements, particularly when it comes to product specification and training.

vi. Many of these businesses are family owned and few have younger family members involved in the business. Very few appear to have any succession plans, with the consequence that several more businesses could disappear over the coming years.

vii. The size and ownership structure of many businesses also means that there is little opportunity for career progression for staff, which can cause a high staff turnover as employees leave in order to develop their prospects.

viii. The impression gained is that many of the smaller processors are happy with their current lot and are not especially interested in developing new added value products or growing the business through diversification, although they would always take the opportunity to increase the sales of their existing product offering.

ix. Much of the added value is done by the large processors although there are a number of smaller processors that have developed added value products in response to customer demand.

x. Few processors have any form of quality assurance accreditation although a number, especially those supplying the retail, foodservice and hospitality sectors are coming under pressure from their customers to become accredited, often to BRC standard.

xi. Recruiting and retaining skilled staff is a significant issue within the whole sector, although as one interviewee remarked, "….this has been the case for some time". The sector is not seen as an attractive career to school leavers and other young people and those that do try it often do not stay for long.

xii. In the recent past the sector has had to compete with the more lucrative gas and oil sector but there was evidence that due to the downturn in these industries has seen a few young people return to the family seafood processing business.

xiii. Migrant workers have been used to fill the gaps in the workforce but the uncertainty around the availability of these staff once the UK leaves the EU is a concern to the industry. There is a realisation that the industry needs to attract more UK based labour, particularly school leavers but to do so will require a change of image and perception of the industry.

xiv. Although many supported the idea of a SSCE, no processor interviewed was willing to contribute towards its creation and several were uncertain whether and how often they would use it once it was operational. Several felt that the Seafish levy paid by the Scottish sector should be used to finance any development of a SSCE.

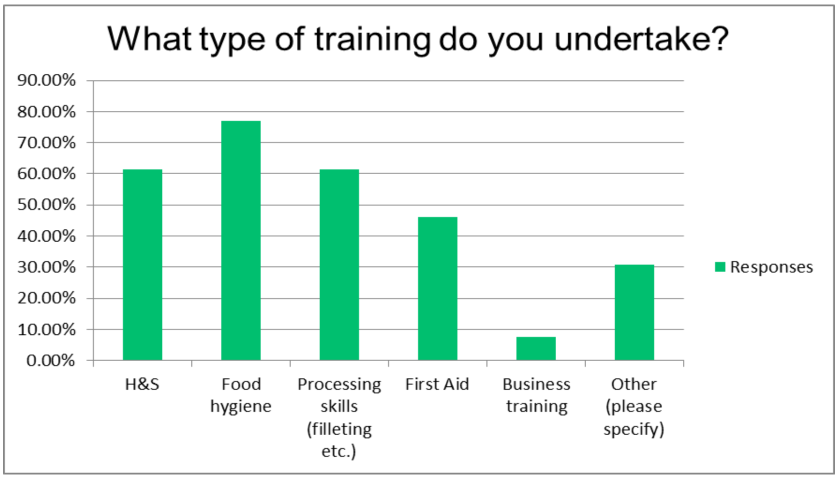
xv. It was generally felt there is a need for something to promote the seafood sector to young people and the general public as a good place to work. Getting the public to eat more seafood is also seen as important in order to help grow demand within the UK.

xvi. Many felt that the SSCE should have some form of physical presence but there were varying views as to where it should be located and whether some of the facilities should be shared across different locations.

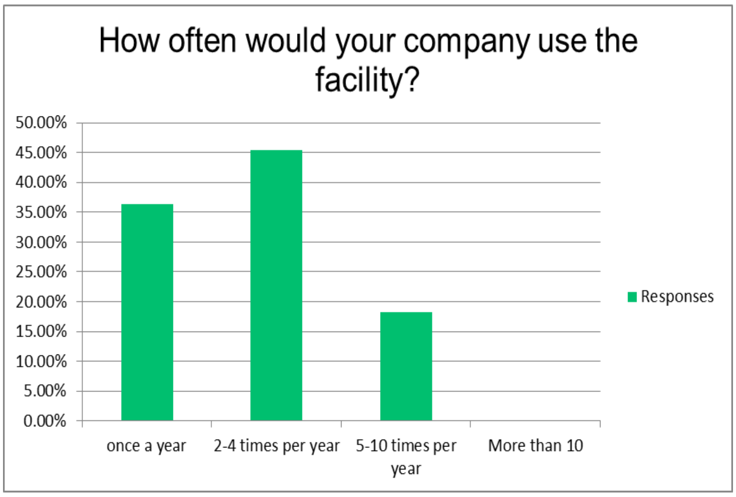
Training

i. Although most processors were supportive of the idea of a SSCE to help promote the sector and encourage people to work in the industry, there was some uncertainty about whether and how often they would use the proposed facilities.

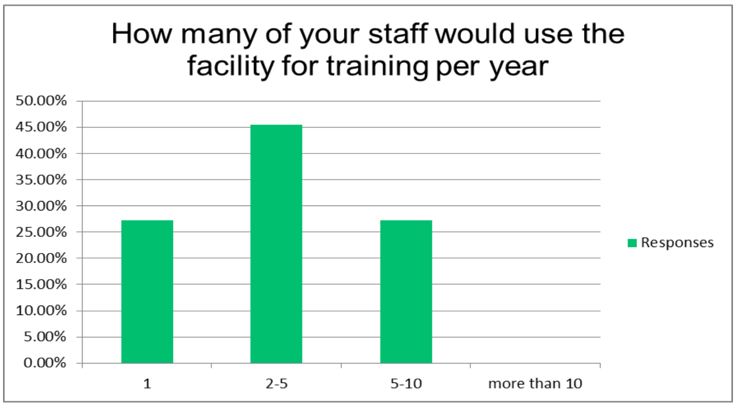
ii. Currently the majority of training either takes place in-house and/or through an external training organisation. According to the online survey the four main areas of training are: Food Hygiene Health and Safety, Processing Skills and First Aid.



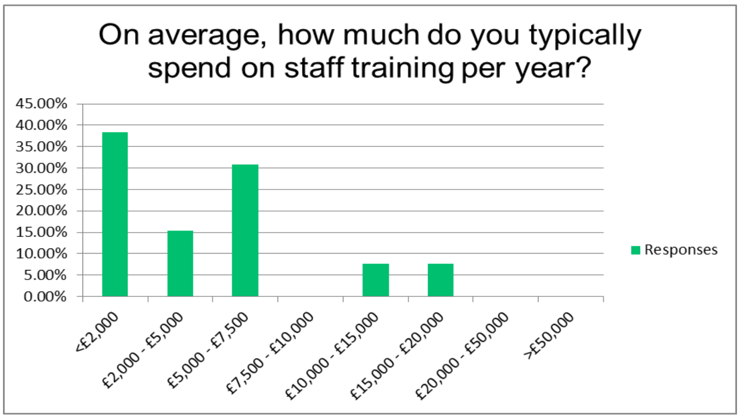
iii. The survey also asked how often businesses would use the SSCE for training, with the majority saying between 2 and 4 times per year



iv. The respondents were also asked on average how many people they would send for training each year, with the majority between 2 and 5



v. Typical spend on training is up to £7,500 per year for the majority of processors in the survey although most spent less than £2,000. A few, especially those producing added value products, spend significantly more than this.



vi. Most processors are generally producing something slightly different and serving different customers so several stated a preference to undertake their fish processing skills training in-house in order to teach the trainees to a specific customer specification.

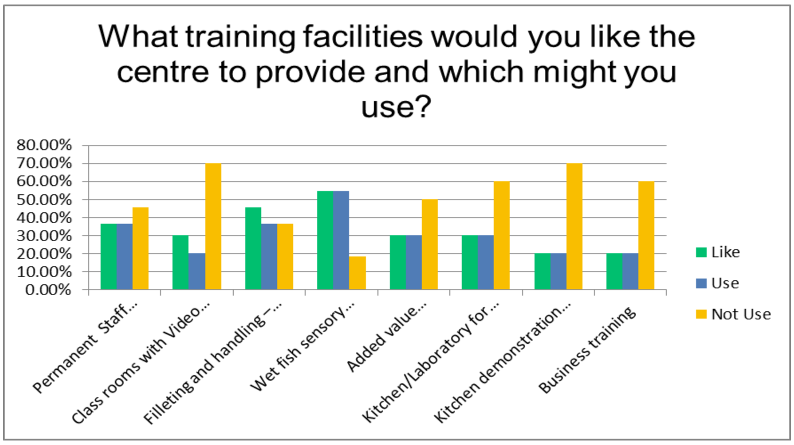
vii. Some of the smaller businesses said they find having staff members away on training can be extremely disruptive (making it difficult to meet transport deadlines etc.) so any training needs to be organised at specific times of the day and/or during less busy times of year.

viii. Several of the smaller businesses said they would consider using training facilities and most would be willing to pay for it (dependent upon cost) but a few felt that "someone" should help with the cost of training.

ix. The larger processors, such as IFC, Lunar and Denholm, are generally self-reliant, undertaking their own training in-house and new product development using their own NPD facilities. However, they still have similar issues around recruiting and retaining skilled staff and are open to using external training depending on cost and the courses on offer.

x. There is little collaboration or co-ordination with regards to training within the sector with most organised on an ad-hoc basis. Training can be a significant cost to the processors, particularly filleting training, so greater co-ordination of training programmes, along with the recent derogation regarding the use of discards for training, could potentially help to make training cheaper.

xi. The online survey asked which type of training facilities the businesses would use if they were provided in the proposed SSCE. Of those the respondents said they would potentially use wet fish sensory assessment, filleting benches, added value processing and a kitchen demonstration area were amongst the most popular. The results are shown in the chart below.



xiii. Many businesses acknowledged that new and different skills will be required in the future as the industry evolves. There is recognition that customer demands will increasingly require staff with Quality Assurance and IT skills and increased automation will need mechanical, electrical and possibly programming skills, while sales, marketing, key account management and logistic skills were also mentioned during interviews.

xiv. More than one processor said they would prefer to take on young people who had been through a basic broad training programme covering Health and Safety, Food Hygiene, First Aid, HACCP, an elementary understanding of the industry and some basic technical skills such as knife skills or fork-lift training, along with some fundamental business knowledge.

xv. This could then be followed by further day release courses over two or three year period focussing on particular aspects of the depending upon the aptitude and willingness of the young person once they had joined the business.

xvi. Some have been involved in apprenticeship schemes but with mixed results with many apprentices leaving before finishing the course. However most businesses still appeared to be open to the idea of taking on apprentices but they see the fact that apprenticeships are outwith the minimum wage as a barrier.

New Product Development

i. There was limited interest in utilising new product development (NPD) facilities if they were available within the SSCE. Of the 13 who responded to this question in the online survey 38% said they would while the others said not.

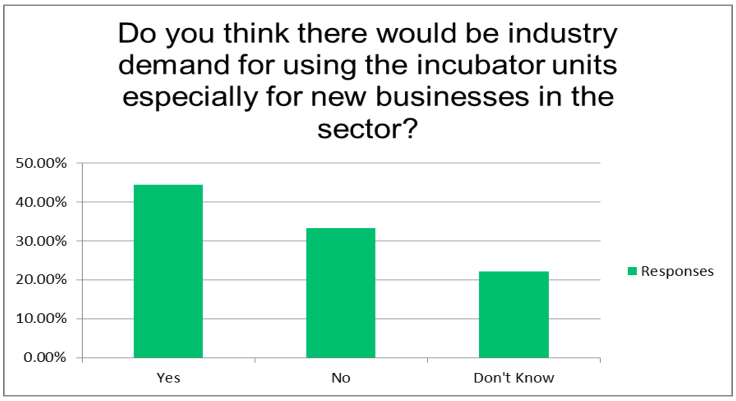
ii. In direct interviews a small number of small and medium processors, including the few that have already developed added value products using their own resources, expressed possible interest in using NPD facilities but there was no great enthusiasm and much would depend on cost.

iii. Of those from the online survey who said they would use the NPD facilities nearly all stated they would be prepared to pay less than £1000 a time to use the facility, while one said between £1,000 – £2,500 and one other was prepared to spend between £5,000 - £10,000 to use the facility.

iv. In the face-to-face interviews the reasons given for the low interest in NPD facilities were:
   - There is no demand from their customers for NPD or adding value
   - They do not have capacity in their own facilities to create a high care area to manufacture added value products
   - The cost of NPD and adding value is too high
   - They do not have the skills to manage high care facilities and added value production
   - High care facilities provide a greater administration burden and would require quality assurance accreditation

Incubation Units

i. Only two respondents to the online survey said that they thought the SSCE should provide incubation units for start-up businesses but when asked if they thought there was a demand for such units within the sector, over 44% said ‘yes’, 33% said ‘no’ and the remainder didn’t know.



ii. This was supported in the interviews with a number of processors suggesting that the provision of incubator units would be a good idea to help encourage new businesses, particularly those adding value but very few expressed any interest in using these facilities themselves.

iii. A number of processors admitted that they may need to move to more modern premises in the near future so would be interested in facilities that will accommodate their own particular requirements but these would not be incubation type units.

iv. One idea mentioned was the provision of a range of premises of different sizes, from incubator (start-up) increasing in two or three stages to somewhere that would take 100+ staff, which a business could progress through as it grew.

B. Responses from Industry Organisations

i. The NE of Scotland needs a vibrant seafood sector and the industry has a good story to tell with its heritage and provenance but this is not being exploited.

ii. It was generally acknowledged that there is a need to help develop the sector and the NE is an ideal place to create a SSCE but several questioned the wisdom of trying to provide a facility with such a wide scope and containing so many different facilities.

iii. Most supported the idea that it should be the NE of Scotland that is the SSCE rather than having a single building fulfilling this role. If physical facilities are necessary they should be developed in locations where they are required.

iv. Experience shows that there is a range of training needs and real opportunities for added value seafood products but it is difficult to engage with the businesses within the sector, therefore questions remain about whether they will engage with a SSCE.

v. A SSCE must be led by the industry and be designed to meet the needs of the sector in order to get buy-in from the businesses.

vi. The seafood sector is generally seen as rather insular with very few businesses engaging with the wider food and drink sector. It was also felt to be fragmented with little collaboration between the different sub-sectors, between the fishermen and processors and with the rest of the supply chain.

vii. There is an abundance of sector organisations and associations but no single one appears to represent the whole sector. This makes it difficult for the rest of the industry to engage with sector initiatives.

viii. It was suggested that each element of the SSCE needs to be focussed upon individually and different solutions found for each. Some may require new facilities while others just need better co-ordination and planning of existing provision. A plan should be developed for each and implemented in small steps. The SSCE proposal is seen as a giant leap.

ix. There were questions about how a physical SSCE would be paid for. If it is only going to benefit the seafood sector then it was felt that the sector should pay. Although funding might be sought from public sources, some wondered whether the fragmented nature and lack of unity within the sector would be a barrier to obtaining this funding.

x. It was noted that other sectors that have faced similar problems and have moved forward through greater collaboration and focus, taking ideas from other sectors and become more integrated into the overall Scottish food and drink industry. The sector needs champions to facilitate this.

xi. There is significant scope for NPD and adding value within the sector but few businesses appear to have the desire or motivation to take this option. NPD need not just be about product, it could also be around other areas such products from waste etc. and there is significant potential in this area.

xii. NPD is often driven by new entrants but the sector can appear to be a closed shop to outsiders. New entrants, especially those with ideas for added value products, need to be encouraged; the SSCE could help to do this.

xiii. Opportunity North East (ONE) is currently developing plans for an Agri-food and Nutrition Hub for Innovation (AFNHI) as part of the local City Deal. The proposition has not been completed at this point but is likely to include development kitchens and start up incubators. Experience shows that the provision of incubation units for an individual sector is generally not economically viable or sustainable but this development is designed as a facility for a number of food and drink sectors across the region. The seafood sector must engage with ONE to help in the development of these plans to ensure that any plans take account of the requirements of the sector.

xiv. ONE is also in the process of developing a food and drink tourism strategy for the region. Current ideas include Sea to Plate and Field to Fork type experiences that highlight heritage and history that could include retail/restaurant/cookery school. The sector also needs to engage in these discussions.

xv. It was suggested that the sector needs to initially connect into existing provision. Both internal and external training already exists in the NE but is it being co-ordinated or managed in a holistic way? Business development advice also exists through Seafood Scotland and other organisations but few businesses appear to take advantage of this.

xvi. While acknowledging the potential merits of an SSCE one organisation mentioned that there could also be some merit in exploring the development of hubs based around the specific seafood sub-sectors so that they could attract and share expertise, transport and other resources.

xvii. Fraserburgh Port Authority is investigating the possibility of implementing an automated e-auction system in the fish market that could potentially open up the market to new businesses. Views varied amongst the processors about the introduction of such a system and many felt it will probably have to be introduced in stages.

xviii. Peterhead Harbour Authority is currently undertaking a £50 million redevelopment of its inner harbour, including the construction of a new fish market. There is future potential to redevelop processing units on land adjacent to the new market and this could include training and business development facilities if required.

C. Responses from Academic Organisations

i. NESCOL is ideally located to provide training and some facilities such as NPD to the seafood sector, with campuses in Fraserburgh and Aberdeen, as well as Peterhead through the Scottish Maritime Academy.

ii. Due to funding priorities, NESCOL's current focus is generally on full time courses. A move towards commercial course provision would be a challenge due to uncertainty around funding.

iii. Modern Apprenticeships and Foundation Apprenticeships are a potential area of growth and these could possibly be adapted to meet the requirements of the sector.

iv. The way NESCOL is structured may create issues for the provision of broad food and drink qualifications as some of the technical requirements would sit across a number of departments. The college in Fraserburgh does have hospitality facilities so could potentially get involved in the provision of a seafood restaurant and NPD.

v. The Grimsby Institute Group was interviewed by telephone. It is a collaboration of colleges providing education for pupils from 14 years old right through to degree level courses. It also provides training to industry and has worked closely with the local seafood and food and drink sector for many years, developing and adapting courses to meet changing industry needs.

vi. The Institute previously established the Seafood Institute in collaboration with the local seafood sector that incorporated Apprenticeships as well as a Food Dynamo, a small factory to help to get young people interested in the sector.

vii. The provision has changed over time as the Institute liaises closely with industry to adapt and contextualise course content to meet business needs. Some courses are delivered as part of the curriculum and some delivered on a commercial basis.

viii. Laboratories and kitchen facilities are also available to help businesses with NPD, involving staff and students.

ix. Industry must be prepared to pay for training and other facilities as it can be expensive to deliver. Volumes are not sufficient for the Institute to have dedicated trainers so staff need to multi-task and be flexible to respond to industry requirements. Businesses generally only want training at specific times of the year.

x. A number of independent training businesses deliver courses such as Food Hygiene and other courses that Scottish businesses are legally required to provide for their staff. Some of the larger processors have their own trainers.

xi. Few Scottish seafood businesses look to some of the academic organisations for help with NPD or engage with Interface to facilitate this. Several colleges provide NPD expertise and a number have kitchens that can be used for developing new dishes and recipes. There is also potential to liaise with local restaurants to use their kitchens for NPD.

xii. NPD must be market led and the industry must decide what it wants from academic organisations. For example several colleges are working on automation within other sectors that could be relevant to the seafood sector but it is currently not engaging with this type of innovation.

D. Responses from Retailers and Foodservice Businesses

i. In general the retail and foodservice sector are eager to work more closely with the seafood sector to develop markets and new products but have generally, found this difficult. Of those interviewed most generally support the concept of a SSCE and some would be interested in sponsoring or providing help in other ways.

ii. One of the major retailers interviewed said they would be open to using training facilities. They do not provide their own in-house training so may be interested in sending their NE Scotland counter colleagues for training.

iii. One of the major foodservice businesses also indicated that they could be interested in training facilities. They currently get staff trained 'down south' but would be very interested in a facility delivering training for the hospitality sector relevant to Scottish Seafood - Filleting, Cooking techniques, preservation smoking/salting/pickling, shellfish preparation, as well as presentation/visual merchandising for the counters.

iv. A physical facility would be preferred but they would also be interested in using a virtual environment. They would look for a recognised professional qualification to come from the training e.g. SVQ, NC or equivalent. They may also be interested in supporting, promoting or sponsoring such an SSCE if it fits with their values.

v. The retailers would like to see more Scottish businesses creating some unique products for own brand labels. As such they are happy to encourage NPD and new businesses.

vi. Consumer education and promotion, is seen as really important. Certain fish product sales are seeing sharp growth, and the retailers emphasised the importance of traceability and provenance to the consumer. They would like to see more done around this in the NE of Scotland.

E. Responses from Allied Food Sector Businesses

i. The major ingredient manufacturers tend to work with the larger fish processors as smaller businesses do not buy in the volumes required.

ii. Other manufacturers are prepared to collaborate with fish businesses on NPD projects but they have found it hard to engage with most of the seafood sector and are seen as insular and conservative.

iii. Most of the small and medium processors do not have category management or marketing staff so are not generally aware of the developments or opportunities in the market.

iv. However, as demand for fish based products grows there is the opportunity for further partnership development.

v. The seafood businesses seem to define their competition is their neighbour, rather than overseas or other UK businesses. This perception needs to change and the sector needs to take advantage of the opportunities greater collaboration within the Scottish food and drink sector could bring.

vi. One major manufacturer indicated that they would be willing to support NPD and growth in the seafood sector if the SSCE was a purely commercial vehicle to achieve innovation in the seafood sector.

vii. Some manufacturers have their own pilot plant and use it to undertake product trials for their customers. One manufacturer has occasionally rented out this facility on a day by day basis but this is not a regular occurrence. This however, does highlight another source of NPD support that should be considered.

viii. The fish processing sector in the rest of the UK is more ‘cutting edge’ in terms of NPD compared to the NE of Scotland. Some national brands are planning innovative NPD three to five years in advance to capitalise on market opportunities. Again, this is an opportunity should the sector wish to take advantage of adding value in the local economy.

ix. There is an opportunity to stimulate innovation and NPD in the NE seafood sector. This would require businesses to get behind the opportunity. They could also take advantage of existing activities such as the reformulation initiatives previously provided by the Food and Drink Federation Scotland.

x. Sometimes individual businesses are just too small to take advantage of an NPD opportunity and so they would need to work collaboratively with other businesses. Perhaps smaller businesses could be encouraged to be more innovative if they had access to technology for hire.

xi. Even with the market opportunities it was acknowledged that innovation and NPD were a 'hard sell' to the NE seafood sector as it was considered "so conservative". Also the sector's definition of neighbours as 'competitors' will mean that any collaborative activity will require a mutually agreed non-disclosure type of agreement. There are examples where competitive sectors have worked together and the 'Bio Base Training Center' http://www.bbetc.org/ in Europe was mentioned as an example of where this had happened.

F. Responses from Training Providers

i. These independent trainers also provide vocational training and business courses adapting them to meet changing needs. The key is to keep delivery simple and develop courses to meet the requirements of the customers.

ii. Much of the training for the seafood sector is very similar to that required across the whole food sector (e.g. Health and Safety, Food Hygiene, First Aid, Business etc.) so there is an opportunity to provide cross-sector courses in many cases.

iii. Several producers are coming under pressure from customers to gain Quality Assurance accreditation and those that are not are probably "living on borrowed time." Some retailers are now not recognising SALSA so there could be a place for a SSCE to help provide BRC training and accreditation.

iv. NPD and added value products require new skills and upgraded facilities. The trainers can generally supply the required skills training but, with a few exceptions, are not seeing a demand from most of the producers.

v. Experience from most training providers is that businesses need to contribute towards the cost of training to give it value.

vi. Billingsgate Seafood School is located in Billingsgate Market, London and offers escorted visits to the market during the week. The facilities are integrated into the market building and they also deliver courses focussed on the market, buying, cutting and sustainability and responsible sourcing to trade and industry customers. They also offer consumer food lover's courses during the week, evenings and weekends, focussing different seafood species, menus and cooking techniques.

vii. As part of its charitable activities Billingsgate Seafood School offers school and catering college visits to the market and also have a new programme offering visits to catering colleges around the UK to encourage them to run their own outreach programme to engage with young people and consumers in their area.

viii. The Yorkshire and Lincolnshire Seafood Training Network was launched in 2016 as a collaboration between five organisations involved in providing training and skills to the Seafood sector. The five are Grimsby Seafood Village Training School, Grimsby Institute, Seafish and its Seafood Training Academy, National Federation of Fish Friers and Strive Training.

ix. The Seafood Training Academy, managed by Seafish, is a collaboration between seafood training networks, training organisations, providers and individual trainers. It is a virtual network that organises and signposts training and learning opportunities to the sector.

x. The Scottish Seafood Training Network is a virtual training network established by Seafish, the Seafood Training Academy, the Scottish Seafood Association, and fish and shellfish apprenticeship and training providers in Scotland. The aims of the Network are;
   - To signpost training opportunities to the onshore fish and shellfish sector in Scotland,
   - To encourage skills development and career progression,
   - To seek funding to support training needs,
   - To promote cooperation in the provision of fish and shellfish training across Scotland, and
   - To provide a voice to fish and shellfish employers in Scotland over training issues.

xi. The network was recently formed after Seafish conducted a feasibility study into creating a training hub. Few in the Scottish seafood sector appear to be aware of this network but it is something that could be integrated into any SSCE.

G. UK and International Seafood Sector Support Organisations

UK

i. The **Seafood Village in Grimsby** consists of 21 seafood processing units and claims to be the UK's largest seafood cluster. Constructed to food hygiene standards units range in size from 1,000ft² to 4,000ft², with office toilet and storage facilities on the first floor. Units are flexible and can be shared or split with letting prices starting at £225 per week. The site has 24 hour security. The

Village houses a range of seafood supply chain businesses including, processors, logistics and packaging suppliers.

ii. The Seafood Village also has a training facility and is part of a wider collaboration providing training to the sector in the Humberside area. It charges around £200/day for training and also supplies training courses on NPD as well as hiring equipment to businesses wanting to undertake NPD.

iii. The **NW of England 'Golden triangle'** is a network of academic and public sector organisations consisting of Shropshire Food Enterprise Centre in Shrewsbury, Harper Adams University Regional Food Academy in Newport, Reaseheath College Food and Dairy processing facilities in Nantwich and the NOW food testing centre at University of Chester that supports food and drink businesses in the region.

iv. The **Shropshire Food Enterprise Centre** comprises twelve start-up or growing food production units, with a café and a meeting area for informal business meetings. It is managed by Shire Services, the council's catering and cleaning unit and supported by the local Chamber of Commerce.

v. **Reaseheath Food Centre**, based at Reaseheath College, Nantwich is a £7.4 million food and dairy technical and education facilities that comprises a commercial dairy, butchery, commercial bakery, innovation rooms for NPD and business development.

vi. The Centre works in partnership with a number of major food businesses including: Arla, Compass Group, Muller, Tetra Pak, Milk Link, Cotswold Dairies, Dairy Crest as well as the Chartered Institute of Environmental Heath and The National Skills Academy. It operates with 26 staff but many of these are also involved in the academic side of the college.

vii. **Harper Adams University Regional Food Academy** in Newport, Shropshire is a learning hub for staff, students, researchers and visitors from school and industry. The Academy has food processing facilities, a sensory evaluation room, specialist equipment, teaching rooms and a lecture theatre. It is designed to develop student's skills in new food product design and development, as well as giving them practical insights into producing a range of food and drink products. The centre also has a small food business production unit to encourage any student start-up enterprises.

viii. The **NoWFOOD Food Centre** is located on the main campus of the University of Chester and is a £5.1 million centre of excellence for food science and technology for producers across the region, co-funded by the European Regional Development Fund (ERDF) and the University. Facilities include:

- Development kitchens
- Sensory analysis unit
- Incubator spaces for business start-ups
- Laboratories

- Meeting rooms
- Exchange room
- Hot desk facilities
- Conference Room
- ERDF support packages available for SMEs

ix. As well as providing education and research opportunities the Centre works closely with commercial businesses and start-ups to support the economic growth of the region with the aim of generating more employment opportunities within the sector.

x. **Food Centre Wales** is a £1.7 million food research and development facility opened in 2001 set up by Ceredigion County Council as part of its Economic Development strategy with funding from the National Assembly for Wales' Welsh Capital Challenge Scheme.

xi. It offers technical services, advice and consultancy to business start-ups, SME's and existing food manufacturers and is used as a "launch pad" for new and innovative ideas and plays a strategic role in the technical support of the Welsh Food Industry. The building has four separate process areas, as well as smaller trial kitchens and offers manufacturing facilities available for commercial hire. There is also a seminar room available where a wide range of training courses are held. This room is also available for hire for meetings and seminars.

xii. The Centre also provides a Modular Food Production Unit Scheme with prefabricated units, furbished to food grade standards that are available for hire for positioning on client's own premises. The Centre has 10 Technical Staff providing technical advice and assistance covering a range of food products.

xiii. The **Cafre Food Technology Centre** is located at its Loughry Campus and incorporates four mini food processing areas for meat, bakery, fruit & vegetable and dairy sectors, designed to accommodate best practice in food manufacture. The Centre is equipped with a range of modern pilot and industrial scale food processing and product development equipment for students to develop the competences and skills needed by the food industry.

xiv. The Loughry Campus is also home to the **Food Business Incubation Centre** (FBIC) that consists of eight purpose-built food processing factory units in two sizes, 175m2 and 225m2. These are let out to food businesses and each unit contains:

- A segregated arrival bay, ambient store and chill
- A temperature controlled production area
- A dispatch bay and chill
- A low pressure cleaning system, air handling system, compressed air supply, 180Kw 3 phase and single electricity supply, water
- Office, changing rooms and toilet facilities

International

i. The **Canadian Institute of Fisheries Technology (CIFT)** at Dalhousie University, Nova Scotia is a centre of advanced technology for research in food science and process engineering with an emphasis on seafood. The main areas of focus are:
   - Aquaculture development;
   - Biotechnology;
   - Fish and food process engineering;
   - Marine oils and nutrition;
   - Physical properties of food;
   - Process chemical science;
   - Seafood biochemistry;
   - Toxicology.

ii. Facilities include:
   - Product development kitchen;
   - Rheology and texture laboratory;
   - Pilot plant, fully equipped and computerised retort stystem;
   - Computer controlled cold storage area;
   - Laboratories for chemistry, microbiology, marine oils, proteins and enzymes and product development evaluations.

iii. The Centre offers assistance to industry through academic, technical staff, and students and includes:
   - Fundamental and applied research;
   - Process and product development;
   - Consulting activities;
   - Short technical courses;
   - Industry-orientated student projects.

iv. All commercial assistance is priced on a cost recovery basis although support is available to businesses through some public funding programmes. The centre is staffed by 6 full-time faculty members, 4 research assistants/associates and 1 Administrative assistant.

v. **Bord Iascaigh Mhara (BIM)** is the Irish Republic's Seafood Development Agency providing technical expertise, business support, funding, training and promoting responsible environmental practice. It includes a 768sqm Seafood Development Centre that includes a product processing area, product development kitchen, innovations and product concept room, two business incubator hubs, reception and administration area.

vi. Services provided by the centre include innovation, Market Research, Product Development, Process Development and assistance with Scale-up. BIM are also responsible for training and funding to the seafood sector.

vii. The **Norwegian University of Science and Technology (NTNU)** is Norway's main higher education institute in technology and engineering and is spread over three campuses across the country. NTNU incorporates the Centre of Fisheries and Aquaculture (Sealab) located in Trondheim that provides a common arena and building for the research groups with focus on aquaculture, fisheries and the processing of marine resources.

viii. The Sealab ground floor has a range of laboratories for both sea and freshwater research and a large open hall for research into trawling and fisheries equipment, which can also be analysed in action using the NTNU research vessel that is docked next to the building. The centre is designed as a space for researchers and scientists to use in a flexible manner and there is office space for about 60 people on the upper floor. Sealab is designed as a research centre and does not have commercial facilities.

ix. All the examples above of organisations that support or provide development facilities to the food and drink sector in both the UK and internationally are either part of educational institutes or are or have been publically funded.

x. Those UK facilities that are not attached to universities or colleges were mostly established by the now defunct Regional Development Agencies and are now managed by the local councils or have become commercial business centres, not always solely focussed on food and drink.

xi. Facilities that are attached to universities and colleges tend to have a dual purpose, education and commercial and are able to call upon academic support to help subsidises commercial activities, helping to reduce the running costs. Development of these facilities is often through a combination of education, skills and EU funding and grants are often available to the institute to collaborate with industry.

xii. Developing these types of facilities has a number of advantages: access to different and wider funding streams; access to a range of technical staff and development areas; lower running costs; if services are provided on a cost recovery basis then costs to business can be lower then standard commercial rates.

H. Potential Funding Partners

i. A number of possible funding sources were explored and discussed with the relevant organisations. These funding sources are summarised below.

EMFF

i. European Maritime and Fisheries Fund (EMFF) supports the delivery of sustainable economic growth in the sea fisheries and aquaculture sectors. It is a potential source of funding for the SSCE as long as the centre is a constituted body.

ii. The exact fit for an application would depend on what expenditure the centre was looking for assistance with. The costs of providing training would most likely be through the ‘Partnerships’ part of the funding while capital costs towards equipment for NDP would likely fall into ‘Processing of fishery and aquaculture products’.

iii. The EMFF could potentially support some set up costs but it can only support one-off expenditure as part of a project, not on-going costs. Potentially once up and running the centre could apply to EMFF for one-off projects to deliver specific benefits.

iv. Current estimates are that the EMFF scheme will continue to award projects up to March 2019 (based on a 2 year negotiation period for exit from the EU but this may be extended if an interim period is agreed). Any projects approved prior to that date will be funded in full as per the UK treasury guarantee.

NESFLAG

i. The North East of Scotland Fisheries Local Action Group (NESFLAG) aims to support the sustainable development of coastal communities located in Angus and North & South Aberdeenshire.

ii. NESFLAG was allocated a budget of £1.437million by Marine Scotland in February 2016, which comprises the Community Led Local Development element of the European Maritime and Fisheries Fund (EMFF).

iii. These funds have been allocated to support a bottom-up, local approach to delivering the Local Development Strategies. Grants are usually in the region of £10,000 to £100,000 and must be used to meet NESFLAGs priorities.

LEADER

i. The North Aberdeenshire LEADER programme supports the Local Development Strategy, helping to create a long-term legacy of vibrant, healthy, and inclusive rural and fisheries communities enabled to contribute fully to the social and economic fabric of North Aberdeenshire.

ii. Approximately £3.3m has been allocated to the NALAG so individual grant allocations are often limited in size. These funds have been allocated to support a bottom-up, community-led approach to delivering the North Aberdeenshire Local Development Strategy.

iii. It should be noted that only one source of European funding (EMFF, NESFLAG or LEADER) can be applied for by a particular project.

CCF

i. The Coastal Communities Fund (CCF) encourages the economic development of UK coastal communities by giving funding to create sustainable economic growth and jobs. Round 4 of the funding has recently been completed and there is no current information available on round 5 and no announcement imminent.

ii. The Big Lottery Fund administers the CCF on behalf of the UK government but now with devolved parliaments there is pressure to move this money under the control of Coastal Local Authorities. The next funding round is expected to commence in England, Wales and Northern Ireland in late 2017. Details regarding future funding in Scotland are still to be advised.

FPMC

i. The Food Processing, Marketing and Co-operation Grant is only for projects involving agricultural products. The EMFF grant is the equivalent for the maritime sector.

Seafish Funding

i. Seafish does not have any substantive funds available to support the development or operation of the proposed Centre of Excellence but there are some elements of the wider project could receive funding.

ii. The current Seafish Strategic Investment Fund is open for industry applications for infrastructure to deliver training. It is currently in the final year of the 2015-2018 programme which delivers until March 2018.

iii. Seafish is currently liaising with various groups and panels to decide funding and scope for next 3 years 2018 – 2021. The budget is not yet known but they are looking to increase the scope of on-shore projects.

iv. There is potential for the SSCE to apply for EMFF funding and use the Strategic Investment Fund to match the grant as an industry contribution for equipment. This could draw down the highest available rate for EMFF funding.

v. The levy is currently administered on a UK wide basis but Seafish is considering some support at a devolved powers level. National advisory committees have already been established in Northern Ireland and Wales but one has yet to be set up in Scotland.

Development Agencies

i. Once a development plan for the SSCE has been created, Development Agencies such as Scottish Enterprise (SE) and Highlands and Islands Enterprise (HIE) could be explored to ascertain whether Regional Development funding would be suitable to help fund elements of it.

ii. Workforce Development Fund is a new £10 million skills fund to be introduced in the autumn of 2017 that will bring together the college sector with industry in order to provide support for in-work training in Scotland. It will provide employers with workforce development training to up-skill and re-skill their existing workforce. The initiative is in direct response to a call from employers to the recent Scottish Government consultation on the introduction of the UK Apprenticeship Levy and is designed to address the skills gaps and the training needs of older workers where a full apprenticeship might not be appropriate. The fund will be developed with the input of employers through the industry-led Scottish Apprenticeship Advisory Board, Colleges Scotland and the Scottish Funding Council.

6. Conclusions

A. Demand for Training, NPD Facilities and Incubation Units

Training

i. As the SFDSA Seafood Sector Skills Report notes, most of the training currently taking place in the sector is directly related to compliance with legislation (H&S, Food Hygiene etc.) and in technical processing skills (filleting).

ii. Most training appears to be organised on an ad hoc basis and the preference is for much of it to be conducted in-house, especially filleting training.

iii. Many training requirements are the similar to those in other food sectors (i.e. compliance and business skills), so there is an opportunity to organise courses in conjunction with other sectors, helping to provide larger classes with associated efficiency cost savings. This also capitalises on the opportunity for networking and collaborative partnership development.

iv. Both internal and external training provision exists for the sector but there appears to be little co-ordination of requirements or delivery. It would seem sensible for the Scottish Seafood Training Network, working in conjunction with a SSCE, to take on responsibility for this role.

v. There is currently no significant academic pathway focussed on the sector and although Apprenticeships have been tried by some they appear to have had limited success. The industry needs to liaise with NESCOL and other academic organisations to look at ways of devising courses to meet sector needs.

vi. There does appear to be a willingness amongst most of the processors to consider using external training facilities but their preference is that it should be convenient i.e. in the same location [town] as their business.

vii. The development of any training facilities needs to be industry led as experience in other sectors shows that initiatives imposed upon businesses often fail because they do not get buy-in.

NPD Facilities

i. There appears little demand for NPD facilities amongst the majority of processors currently operating in the NE of Scotland, although many agree that such facilities may help to encourage new entrants and innovation into the sector.

ii. Some potential added value and innovation NPD are not necessarily about developing new seafood products e.g. extracting bioactives from waste or new processing techniques, and these would not necessarily require traditional NPD facilities containing ovens, preparation areas and chillers etc.

iii. There does not appear to be any great demand for specialist NPD facilities from the sector but, to meet the need of the few businesses that do have this demand, there may be opportunities to share facilities with other food sectors and to use academic institutes to assist with NPD.

iv. Different types of technical knowledge such as Chefs, Nutritionists, Food Technologists etc., are required for NPD depending upon the type of product development. These technical skills are often more collectively readily available in education organisations than in individual centres.

v. In some circumstances education organisations can also access funding to help work with businesses on NPD projects, which is often not available to commercial businesses.

vi. NESCOL has kitchen facilities and teaching chefs in its Fraserburgh campus while Abertay University, Queen Margaret University and SRUC offer NPD assistance to food and drink businesses, all facilities the sector could tap into. Organisations like the Rowett Institute and other Scottish Universities can also help with other specific areas of NPD.

Incubation Units

i. Simply through the fact that incubation units are designed for start-up businesses it is impossible to estimate what level of demand there may be for them. While many of those interviewed thought they would be a good idea to encourage new entrants it is not clear how many potential start-up businesses there may be in the sector.

ii. Providing units that can be used by a range of food and drink start-up businesses may help to broaden demand and increase occupancy rates. The ONE activity around the development of a food and drink innovation hub suggests the possible provision of such units, so the sector should engage with ONE to explore whether this may offer a collaborative solution.

iii. Incubation units generally do not have a good track record in the UK. Several of the now defunct Regional Development Agencies in England built small clusters of incubator units with limited success. Few, if any, ever became financially viable and most are now let as commercial units.

iv. In other countries, both NPD facilities and Incubation hubs are connected to academic or government organisations where they can also be used in teaching and academic research so commercial pressures are not so great.

B. Organisation, Management and Resourcing

i. The conclusion resulting from the seafood sector and stakeholders' feedback is that creating a SSCE as a single physical entity at this point is difficult to justify, is too big a step and is not the best way to currently serve the sector.

ii. The idea of a SSCE is a good one and will provide a focal point for the sector but this report agrees with the conclusions of the NE Scotland Fish Processing Strategy Report that it is the region that should become the Centre of Excellence rather than a single physical entity.

iii. That is not to say that the various functions that were proposed in the scope of the report are not necessary, most are, but they need to be sited in the most suitable location to meet the needs of the sector. This may mean that some elements (e.g. training facilities) are developed in more than one location, but this should be dictated by demand and need.

iv. However, there is also a need for the sector to become more collaborative, develop partnerships with other food related business sectors and become an integral part of the wider Scottish food and drink sector. This will bring greater recognition and afford the sector a greater opportunity to take advantage of developments in the UK market.

v. This will require co-ordination and management best done by an organisation(s) that is well respected and can bring the whole sector together, for example Seafood Scotland in conjunction with the Scottish Seafood Association; Feedback indicates both are well regarded by most seafood businesses but this would depend upon whether this type of role fits with their remit and other areas of responsibility and that they have the necessary resources to undertake it.

vi. Feedback also suggests that the SSCE should be developed in small steps, starting as a virtual entity, creating a brand and building recognition and demand for its collaborative and coordinating activity; then developing into physical locations as the sector requirements and opportunities dictate.

vii. The SSCE should initially be a virtual entity that co-ordinates training, finds appropriate partners for those looking for NPD and helps start-ups to develop. It would also help the industry in liaising with skills and education providers to develop training and academic courses appropriate for the sector's needs.

viii. There is also the potential to build a strategy and brand based upon [and building upon] the history and heritage of the NE seafood sector. In the longer term this can link to other sector strategies, such as tourism, which, if managed and developed correctly could further support the strength of the NE as the SSCE and bring the sector to a number of audiences in a number of ways. This in turn could have positive economic benefits in related sectors throughout the NE.

ix. Working with organisations, such as the Scottish Food and Drink Federation (SFDF) and Developing the Young Workforce (DYW), it could also organise visits and materials to promote the sector in to young people in schools and at other events. This approach would enable the seafood sector to be seen in the wider food and drink context and enable it to draw upon positives associated with that sector and the coverage it is receiving in terms of economic growth and opportunity.

x. In order for the SSCE project to succeed, the whole sector has to get behind it. Business representatives from across the sector need to work together to develop a strategic plan. These representatives should form a Steering Group or Board, whichever is seen as the most suitable and they need to develop clear aims and objectives. This group will need to comprise credible sector representatives who will get things done and who the broader sector respect and will buy into.

C. Operational and Overhead Costs of the Centre of Excellence

i. The original study brief was focused on obtaining estimates of the running costs of such facilities with the capital costs of establishing a physical seafood centre being established in another study. SAC Consulting has widened the remit of this section to also obtain estimates for the total costs of these services in the market where known as ultimately this sets a ceiling for the combined capital and operating costs of such a facility.

ii. A small amount of cost data was also collected from producers in the online survey but this only provided an estimate of what they currently pay for training and what they might be willing to pay to use NPD facilities. (These data can be seen in Appendix 2).

iii. The combination of these results has to consider how these requirements might best be met either through strengthening existing organisations in the area or through development of a new physical SSCE. Which, if any, services should be provided remains subject to demand, existing service provision in the area and financial support and viability. The main service areas being considered are;
    - Vocational training
    - New Product Development
    - Incubation units

SSCE Staff Cost Estimates

i. A SSCE building providing a range of facilities and services would require at least one staff member dedicated to its administration and management part or full time. The cost of this staff member could be spread over a range of activities including; training, new product development and incubator units. The staff role and cost could range from a purely administrative function, through to an administrator with greater industry knowledge to an industry experienced manager. The expected costs of employing staff with different capabilities are detailed in the following table. These costs are detailed in the following table and include; salary, National Insurance, pensions, serviced office provision, training and other costs.

Table 1 – estimated annual costs of employing a full-time administrator /manager

	Salary (£)	National Insurance (£)	Employer's pension contribution (£)	Serviced office, travel and training (£)	Total staff costs (£)
Administrator	20,000	2,200	2,000	5,000	29,200
Technical admin	25,000	2,750	2,500	5,000	35,250
Manager	32,000	3,520	3,200	5,000	43,720

Source: SAC Consulting

ii. These staff cost estimates have been broken down in to expected hourly costs. It is assumed that staff will have 184 days available for delivery based on 230 working days and 80% utilisation rate, accounting for training, general duties, meetings etc.

Table 2 - Estimated staff costs per hour

	Cost (£/day)	Cost (£/hour)
Administrator	159	21.45
Technical admin	192	25.89
Manager	238	32.11

Source: SAC Consulting

iii. These are indicative costs only. It is probable that as a minimum a stand alone SSCE would have a manager and at least one administrator, who may be part-time depending upon requirements.

Vocational Training Estimates

i. The research and online survey indicates that currently the majority of sea food industry training either takes place in-house and/or through an external training organisation. According to the online survey the four main areas of training are: Food Hygiene Health and Safety, Processing Skills and First Aid.

ii. For a training programme to be viable it must achieve a higher level of income from the sale of training places than it incurs in costs to run the events. The greatest variable in this equation is the level of income that can be obtained based on the number of events and training places sold and the average delegate fees achieved. The cost elements are more straightforward to estimate.

iii. The costs for relevant food, food safety and fish industry related training courses were investigated. Initial indications suggest a wide variation in daily fees per person depending on the subject, level, training provider and level of funding available. Some indicative examples are detailed below with courses typically in the £100 to £150 per person per day range with some course up to around £200 per day.

Table 3 – examples of relevant training courses

Provider	Course	Duration (days)	Nos people	Cost per person (£)	Cost per person per day (£)
Billingsgate Seafood School	Quality assessment of fish and shellfish….	1	10-20		£150
Grimsby Seafood Village	Various				£200
SRUC	Advanced Diploma in Food Hygiene	5	6-10	£680	£136
SRUC	Intermediate Certificate in Food Hygiene	3	6-10	£300	£100
SRUC	Elementary Certificate in Food Hygiene	1	6-10	£100	£60
Tayforth Machinery Ring	Emergency First Aid	1	N/A	£100	£100

Source: SAC Consulting and various training providers

iv. There are a range of training providers in the seafood processing industry such as; The Seafood School at Billingsgate and the Grimsby Seafood Village Training School. The seafood industry through Seafish, the Worshipful Company of Fishmongers and others provides an overall training co-ordination role through the Seafood Academy (http://seafoodacademy.org/. Other providers in north east Scotland deliver more general food industry training such as Polaris and DM Training in Aberdeen[1] as well as a range of free-lance individual trainers.

v. Costs incurred in running a training event
   - Management and organisation – staff time from the administrator or manager is require to; organise speakers, book venues, take bookings and process costs and payments. Typically it is estimated that for a vocational training course in the food sector that around 20 hours are needed to provide administrative support for an event though this can

[1] http://www.dmtraining.org/index.html

vary hugely depending on the scope, scale and nature of the training event.

- Trainer fees – these must include time for preparation and travel as well as delivery. The more qualified and specialised the trainer the higher the cost is likely to be including travel if they are not a local resident. The costs of trainers in the food sector are generally fairly moderate compared to some other industry sectors with typical rate generally in the £300 to £400 per day range. Running longer course is generally much more cost effective given the ability to spread administration, preparation and travel costs over several days of training.
- Room hire / delegate rate – typically the venue will provide a rate per delegate encompassing the room hire, teas and coffees, lunch. Typical rates are £25 to £30 per person per day.
- Room hire only – larger rooms for 6 to 12 people at £175 per day, smaller room for 5 people at £100 per day.
- Lunch and refreshments – where ordered separately these range from £7.50 to £15 per head for a light lunch (soup, sandwiches, finger buffet) Teas and coffees are typically £2.50 to £3.00 per head per serving.
- Extras – include projector hire at £25 per day, stationery, printing, delegate folders.

vi. The costs and returns of a typical two day vocational training course based on SRUC experience are given in table 4 below.

Table 4 – typical costs and returns from a two day vocational training course

	Unit	Unit value(£)	Nos	Total (£)
INCOME				
Course fees	Delegates	£350	10	£3,500
Total income				£3,500
COSTS				
Event organisation				
Administrator staff time	Hours	£30	20	£600
Trainers - preparation and delivery	Hours	£60	30	£1,800
Staff travel - mileage	Miles	£0.45	300	£135
Staff accommodation	Hotel	£60	2	£120
Delegate rate - venue, teas, lunch		£30	20	£600
Miscellaneous		£50	1	£50
Total costs				£3,305
Net margin				£195

Source: SAC Consulting

vii. As these figures illustrate, vocational training is not generally a high margin activity. The viability of individual events is also very sensitive to the number of delegates attending and the daily delegate fees that can be charged.

viii. The above example does not include any separate management cost or general overhead costs. The costs incurred in running a business centre include; management and administration, business rates, local authority charges for services, advertising, insurance, accounting and legal, repairs and maintenance and running costs (heating, electricity and water). Costs vary widely between sites and further details of any proposed building are required before relevant cost estimates can be determined.

ix. SRUC's experience as a land based vocational college is that short duration vocational training is a valuable additional activity to run to utilise existing staff and facilities. In this case it does not need to be a significant profit generating activity in its own right but offers a useful ability to offset existing costs.

x. It is possible to estimate the costs of running vocational training courses with a relatively high level of confidence. The more uncertain element is determining the level of demand and course fees achievable in practice. It appears unlikely that the seafood industry in the north east will demand sufficient training services to support a full time training centre. In fact there are no such facilities elsewhere in the UK. What in fact is more common is for courses to be arranged for specific periods utilising venues on a temporary basis. The Grimsby Seafood Village is a UK example where one facility combines periodic training as part of a wider commercial support centre. Facilitating training as a periodic pop-up service would appear to be more realistic objective for the SSCE.

New Product Development

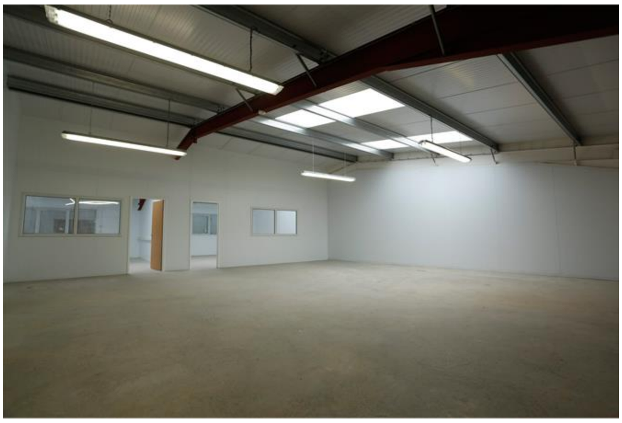
i. New product development combines a range of functions and in some respects is a form of extended in-house training and provision of specialised equipment and knowledge. Such facilities are generally located in-house in the larger food processing companies and there are limited examples in the seafood sector of independently run NPD facilities.

ii. Some of the academic institutes and public centres in the UK that we contacted were reluctant to provide cost and income data for NPD and Incubator units and there appears to be no publically available data for these type of facilities. For these reasons it has not been possible to provide cost and income estimates for the provision of this service.

Incubator units

i. An incubator unit may comprise a combination of office and working space which in the case of the seafood centre is likely to include a range of specialist facilities and equipment including; kitchens, preparation rooms, chillers and freezers, smoking facilities and other processing equipment.

ii. The clearest existing UK example of a site offering seafood incubator units is at the Grimsby Seafood Centre[2]. This facility offers units on the following basis;
   - "Units start at 1,000sq.ft for a factory area plus office, toilets and storage space upstairs.
   - The units are constructed to a high standard of food safe finishes.
   - Prices start from £225 per week plus all amenities."



Source: Grimsby Seafood Village

iii. These units while finished to food safety standards do not come supplied with specialised processing or storage equipment. It is the responsibility of the tenants to equip their units to the required standard which they have done by installing chillers, fish processing and handling equipment. The investment required in this fitting out indicates that the tenants of the Grimsby facility are generally long term customers of the site and not start-ups or companies in early stage development.

Charges for serviced office facilities

i. There is already a well established serviced business centre in Fraserburgh on the South Harbour Road and its charges and facilities are well promoted through a range of property web sites. The Fraserburgh centre is a 4,000 square foot purpose built complex comprising 27 fully serviced offices which can be leased for periods ranging between a few months to several years. The facility has a manned reception facility offering call answering, mail, typing and photocopying. The centre also has meeting rooms that can be hired by the half or full day.

iv. A wider search of serviced office sites was made to obtain estimates of likely leasing costs for the office based element of such an incubator facility as detailed in table 5 below.

[2] http://www.grimsbyseafoodvillage.com/

Table 5 - example fully serviced office leasing site in NE Scotland

Location	Site	Lease costs (£ pp pcm)*
Fraserburgh	Fraserburgh Visitor centre	£210
Inverurie	Mill Road Business Centre	£450
Aberdeen	Kingseat Business Park	£350
Aberdeen	Aberdeen Energy & Innovation Park	£275
Aberdeen	Business Centre, Gallowgate	£325
Aberdeen	Berry Street	£369
Aberdeen 2014	Average from 2014, The Instant Group	£502
NE England location	Average from 2014, The Instant Group	£221
UK 2014	Average from 2014, The Instant Group	£423

Source: SAC Consulting and various serviced office providers
** £ per person, per calendar month*

D. Issues Impacting on the Development of the SSCE

i. To make a SSCE work (in any form) the whole sector has to get behind the project and work collaboratively to an agreed set of objectives. Significant funding will be required to develop a SSCE as envisaged in the original scope of this project and with little sign of the sector being willing to pay for it, public sources would be required.

ii. Public funding sources require a strong justification to support a particular project including value for money, return on the (public) investment and benefits to the wider economy, community and businesses. With the current constraints on funding sources, developing something that is not fully supported by the sector, does not meet industry needs or has the potential to be seriously underutilised would compromise any funding application.

iii. As needs develop and physical facilities can be justified, funding applications can be presented with a sound business case with evidence of needs and benefits.

iv. The concept of the SSCE as presented in the scope for this report is that it would be a flagship project in the regeneration of Fraserburgh. This is assigning it a role for which it is not well suited, the purpose should be to help the development of the seafood sector in the NE of Scotland. This does not mean that the creation of the NE as a SSCE would not benefit the regeneration of Fraserburgh; and, if implemented effectively, developing the region as a SSCE would have economic benefits for the whole region as well as the wider seafood sector. Specific towns / localities could then develop and highlight their part of the SSCE and build and stretch any SSCE brand based on their specific history and expertise.

v. The functions making up the SSCE and location(s) of any physical element should be dictated by industry and must ensure industry buy-in so that businesses feel empowered to have a stake in the SSCE and share in its success.

vi. As needs increase physical facilities can be developed over time based upon demand and located where they are required. There are possible advantages in working in conjunction with other organisations such as supply chain businesses or academic organisations who may have some facilities, such as NPD or incubation units and this option should be explored at the appropriate time.

vii. If its processors choose to engage Fraserburgh will become an integral part of the SSCE and the town will benefit as a consequence of a thriving seafood sector that is will bring; but the Centre needs to focus on the elements that are going to most benefit the sector and how they can be best delivered.

viii. Resource, particularly funding, will be required to manage the SSCE, even as a virtual entity. If existing industry organisations undertake this role the costs will not be as high as setting up a completely new management structure but extra time and resources will be necessary for whichever organisations(s) take on this role.

ix. Seed funding may be available for this from one of the funding sources described above, particularly if the initial focus is training but ultimately the industry, as the major beneficiaries will need to fund the SSCE either through some kind of levy or membership and through use of the facilities. Should some of the Seafish levy be devolved back to Scotland to administer there may also be the possibility to use some of this to fund the SSCE but this will be dependent upon the terms and restrictions placed on the use of those funds.

7. Recommendations

i. The NE of Scotland should be developed as the SSCE with any subsequent physical facilities provided in a location(s) that are most appropriate to the needs of the sector. This may mean that some facilities are duplicated in different locations if there is demand to justify this; but any requirements should also take advantage of existing assets to both reduce expenditure but also to bring organisations and locations together and encourage collaboration.

ii. The industry must be involved in the development of the NE of Scotland as the SSCE to ensure buy-in and the provision of facilities and services the sector wants. It is recommended that the industry should adopt and implement much of the strategic plan proposed in the **2015 NE Fish Processing Strategy Report**. With similar findings and conclusions this report supports many of the recommendations made in the Strategy Report.

iii. A thorough audit of all the potential NPD / development kitchen facilities available; including community resources, FE and HE institutions, and schools should be undertaken.

iv. The sector must engage with ONE as a matter of urgency in order to have an input into the plans for the development of the Agri Food & Nutrition Hub for Innovation, which could potentially provide incubator and NPD facilities for the sector.

v. Existing facilities need to look for solutions to current barriers (such as the ability to take in wet fish for NPD / training etc.) as the focus on the SSCE is to support growth and development in Scotland's seafood sector to ensure that is capitalises on future market opportunities and is able to add value and keep economic value within the region. The focus should be on developing the whole industry rather than supporting individual organisations and businesses.

vi. The SSCE should start as a virtual entity initially operating in a co-ordinating role across the whole sector and using existing providers and facilities to help with business training and development. As it develops, wider roles and new physical facilities can be added in measured steps if there is a demand from the sector to do so and funding available.

vii. Consideration should be given to the creation of a SSCE brand once the approach has been agreed. One idea that was suggested during discussion was 'Scotland's Seafood Academy of Excellence', but a robust branding exercise should be undertaken.

viii. The SSCE should help to encourage co-operation, collaboration and integration within and between the seafood sectors. This should help to generate ideas and innovation within the industry.

ix. The SSCE should also liaise with other food and drink organisations and industry sectors, as a means of starting to get the seafood sector integrated into the wider industry, again presenting opportunities for business development and innovation. It will also provide an opportunity to provide cross sector training and business development programmes.

x. The SSCE should promote and work with other organisations to encourage young people to make a career within the seafood sector. It should also work with colleges and universities to develop courses, training materials and other services such as NPD and research appropriate for the sector. Due to its location within the NE, NESCOL will be particularly important in this area.

xi. The SSCE should liaise with ONE and Scotland Food and Drink to ensure that it aligns its development plans with those of the regional and national bodies. There is also potential to work with ONE in the provision of services and facilities.

8. Ideas to Consider

i. Although separate Training, NPD and Incubation facilities are not felt to be feasible due to probable lack of demand, the development of a flexible space that could be adapted to any of these uses may be worth consideration. By designing this as a modular construction, extra modules could be added if required.

ii. The feedback from a number of the small and medium sized processors is that there is likely to be demand for new, modern processing units in the near future. Many are currently in old facilities that will be difficult and expensive to bring up to the necessary hygiene and QA standards.

iii. The Port Authorities at Peterhead and Fraserburgh are aware of this and incorporating a flexible space(s) into the design of any future development, similar to the Grimsby Seafood Village development, would provide Training, NPD and Incubation facilities right in the centre of where they are needed.

iv. The method used by Billingsgate Seafood School of funding promotion of seafood to colleges through charitable activity is one worth considering once the SSCE is established.

v. Apart from sector specific skills such as filleting, many training requirements as mentioned during interviews are very similar to those required in the wider agri-supply chain. Consequently, there is an argument that the main training provision should be provided more broadly for the whole agri-food sector with specialisms and customisation at certain points in the training appropriate to the different sectors.

vi. The development of a Seafood Leadership Programme, similar to the Rural Leadership Programme should be considered as a means of encouraging younger people in the industry and to help develop a career pathway.

vii. One of the stakeholders suggested that there could be some merit in encouraging the development of hubs based around the specific seafood sub-sectors so that they could attract and share expertise, transport and other resources. This would be for the sector to consider and act upon.

viii. There are many processors that are not large enough to employ dedicated staff such as customer account managers, sales and marketing managers etc., to help develop the business. One option may be for the SSCE to organise these services to hire across a number of businesses requiring them, (e.g. Key Account Manager or Sales Manager for hire) using either internal or external providers as appropriate. This is an idea that can be explored further once the SSCE is established and demand for such skills is ascertained.

9. Suggested First Steps

i. In order to establish a SSCE a series of small steps should be employed with the aim of engaging with, and getting commitment from, the majority of the sector in order to get buy-in to move to each stage of a development plan. These suggested steps are as follows but should be flexible in order to take account of changing circumstances and requirements as the plan develops:

- Sector meeting to discuss ideas and views around the establishment of a SSCE.
- If there is buy-in and agreement from the majority of the processing sector, agree to devise and implement a strategy for the development and establish the current requirements of the processors and the rest of the sector. Establish which organisation(s) should manage the sector strategy SSCE, whether they have the scope to do so and what resources they will need.
- Create a SSCE Steering Group to develop and deliver a SSCE Strategy and Development Plan and to oversee the implementation of that plan
- Undertake an audit of both internal and external existing business development provision and facilities within the region to understand what already exists and what gaps there are.
- Approach Scottish universities and colleges to understand what expertise and facilities they are able to offer the sector.
- Meet with food and drink sector bodies such as Scotland Food and Drink as well as development agencies (e.g. SE, HIE and ONE) to understand what support and access to facilities they may be able to provide.

Appendix 1: Scottish Seafood Sector Background

i. In 2014 the total income from UK fishing increased by 16% compared to the previous year, with £868 million worth of fish landed by the UK fishing fleets. Scottish landed fish made up around 75% of that value. However provisional estimates have shown that the number of active fishing vessels in 2015 reduced with 2000 vessels classified as inactive and a further 1700 vessels, classified as low activity, generating less than £10,000 in that year. This led to estimates that total fishing income would decrease by 11% down on the 2014 figures to £772 million.

ii. In 2014, there were an estimated 11,845 working Fishermen in the UK, of those, 4,796 were in Scotland. This number has also seen a sharp decline, showing 12% less than in 2004. In the summer of 2015, Quay magazine conducted a number of “face to face” interviews with skippers, and vessel owners. The ambitions expressed over performance over the next few years, tended towards the pessimistic. Many felt that long term planning was a near impossible task, due to uncertainty around landing obligations, quota availability and market prices.

iii. Much of the domestic catch ends up in the export market where it typically gains a higher value than in the domestic market. Over the last year export volumes have increased by +6.6% to 491,657 tonnes, though the worth has decreased by -4.3% to £1.45bn due to shifting species performance. Salmon maintains its position as the UK’s top export but has experienced falling volumes and deflation. Prawns and langoustines are now our second most exported species and mackerel has moved to fourth. France and the USA maintain top destinations for UK seafood exports followed by Spain the Irish Republic, Italy, China, Netherlands and Germany.

iv. Approximately 70% of the seafood value entering the UK supply chain is imported from abroad, or landed by foreign ships. In 2015, 689,964 tonnes of seafood was imported, this was worth £2.69billion. The average price per kg of imported seafood has increased by 2.9% to £3.90 per kg since 2014. The top five importing countries by value to the UK are; Iceland, China, Germany, Canada and Denmark.

v. The GVA of the UK sea fish processing industry was estimated to be around £766 million in 2012, however between 2008 and 2012, turnover increased by 16% while operating costs increased by 20% resulting in a drop in Operating Profit. In 2014 19,500 Full Time Equivalent (FTE) jobs were provided across 333 Fish Processing Units in the UK. The North East / Grampian regions of Scotland and Humberside in England dominate the processing industry. However these figures show a decline of 3% in processors, and 4% in FTE jobs since 2012.

vi. The supply of raw materials, regulatory and trade developments such as exchange rate movements, skill shortages, securing finance and retailer pressure on suppliers create problems for many businesses in the seafood processing industry. At the same time, growing demand for seafood and signs of economic recovery underpin industry confidence in the long-term sustainability and profitability of seafood processing in the UK

vii. The Scottish Seafood Industry generates over half of Scotland’s food exports, employs around 14,000 people and is worth over £1 billion to the Scottish economy each year. Its main centre of operations lies in NE Scotland, anchored by landings into Peterhead and Fraserburgh, which typically account for over 50% of the Scottish total. Seafish (2012) noted that 53% of the total number of Scottish fish processing enterprises are located in the NE, employing 3,488 staff – 71% of the Scottish total and 29% of the UK workforce.

viii. Seafood is a key component of the Scottish food and drink sector, a sector with a turnover of £14.4bn in 2014, up 2.8% year on year and that generated approximately £5.3bn GVA, up 5.2% year on year. This sector is now targeting £30bn turnover by 2030 (Scotland Food & Drink). A thriving food and drink sector is central to Scotland’s economy and supports the whole supply chain from farmers and fishermen to local consumers and visitors.

ix. The most recent Bank of Scotland Food and Drink Research Report (2016), conducted in the wake of the EU referendum result, confirmed an uplift in business confidence and growth expectations compared with 2015. Across the food and drink sector businesses expect turnover to increase by an average of 24% over the next five years. Growth for these businesses will be achieved by a variety of means including entering new UK markets (49% of businesses) and new product development (45% of businesses). The rest of the UK is a key target market for food and drink businesses across Scotland and is reflected in industry strategy and Government policy.

x. Scottish business confidence coupled with consumers who are increasingly looking for the right eating experience – whether in or out of the home – means that arguably there has never been a better time for our food and drink businesses to innovate and expand. Exploiting innovation and market opportunities will be key for NE businesses of all sizes and understanding and focusing on what is important to both the customer and the end consumer is paramount.

xi. Ambition 2030, the recently launched Scotland Food and Drink growth strategy for farming, fishing food and drink has a target to double the turnover to £30bn by 2030. The main pillars that will help achieve this growth will be: People and skills; Transforming relationships within supply chains; Innovation

xii. Growing strong, credible and sustainable brands will support Scotland's global reputation as a Land of Food and Drink, and seafood businesses have a key role to play by building strong brands in the key food and drink categories. Creating brand assets that help customers from retail to foodservice realise their growth ambitions is a challenge and an opportunity for seafood businesses. Good food and drink brands can support their bespoke supply chains and positively impact on the primary sector. Alongside innovation, credible environmental and sustainability credentials are important to brand growth. Businesses need to understand their target markets, have a clear and future-proofed brand USP, be seen by their customers and consumers as credible and have a long term vision. Trends such as Health, Provenance, Sustainability, Traceability and Convenience are all areas that Scottish seafood businesses can exploit and this can be supported through encouraging collaborative partnerships and the provision of training, advice and new skills development.

xiii. The Farnet publication *Marketing the Local Catch* notes: "Trends in food consumption and customer expectations in relation to product quality have evolved significantly in Europe in recent decades. "Consumers are increasingly concerned about food safety and food quality issues and value the origin as a useful quality cue. In Europe, "the surge of local and regional foods is considered a countertrend against the globalization of trade in foods and converging demand patterns. This countertrend offers a real opportunity for local producers provided they can develop a special link with the consumer and supply them with high quality locally produced seafood."

xiv. To achieve this will mean the industry needs to have the relevant business and production skills. Procuring and retaining skilled labour is a major issue across the whole Scottish Food and Drink sector. It is not seen as an attractive sector with the perception of low skill levels, low pay and uncomfortable conditions, a view that does not always match the reality. In recent years the industry has been able to fill skills gaps using labour from outwith the UK but, with the prospect of tighter immigration controls, the need to attract and train a new skills force is a real issue.

xv. Although Scottish food and drink businesses are confident about their future the BREXIT decision will have a significant impact on the trading environment and businesses need to be informed, prepared and capable of dealing with issues and opportunities that will inevitably arise.

xvi. Potential changes to fishing areas and quotas may provide an increase in the Scottish fish catch but simply putting more volume through the existing supply chains, along with the possibility of new trading arrangements adversely affected export markets, may have a downward effect on prices returned to the fishermen.

xvii. Fishing businesses need to prepare to counter this scenario through adding value and greater efficiency in order to capitalise on the opportunities ahead.

Appendix 2: Online Survey Questions and Results

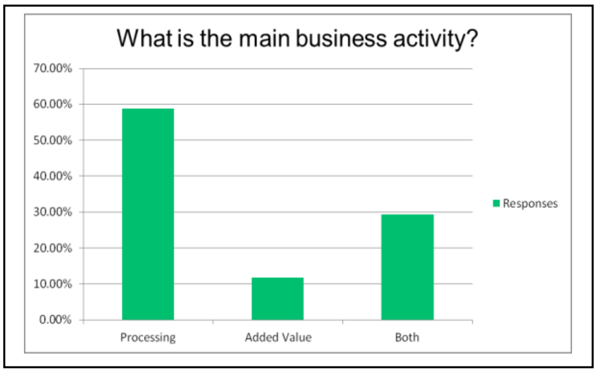
Question 1

Name and Company Name?		
Answered	**18**	
Skipped	**0**	

Question 2

What is the main business activity?

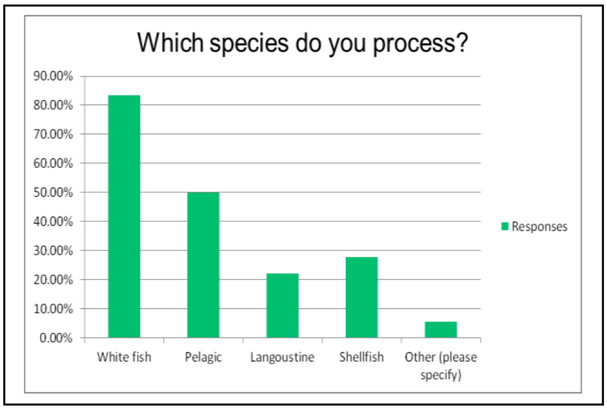
Answer Choices	Responses	
Processing	58.82%	10
Added Value	11.76%	2
Both	29.41%	5
	Answered	**17**
	Skipped	**1**



Question 3

Which species do you process?

Answer Choices	Responses	
White fish	83.33%	15
Pelagic	50.00%	9
Langoustine	22.22%	4
Shellfish	27.78%	5
Other (please specify)	5.56%	1
	Answered	**18**
	Skipped	**0**



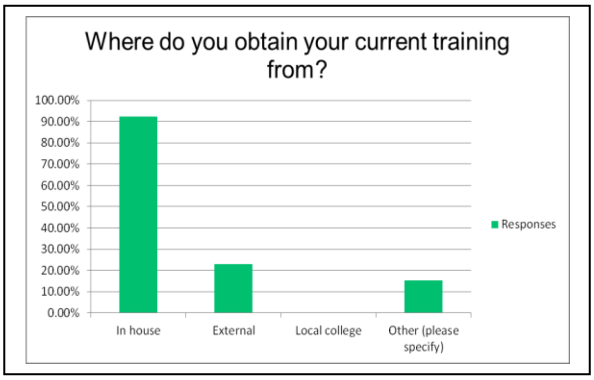
Question 4

On average, how many staff do you train per year	
Answered	**13**
Skipped	**5**

Question 5

Where do you obtain your current training from?

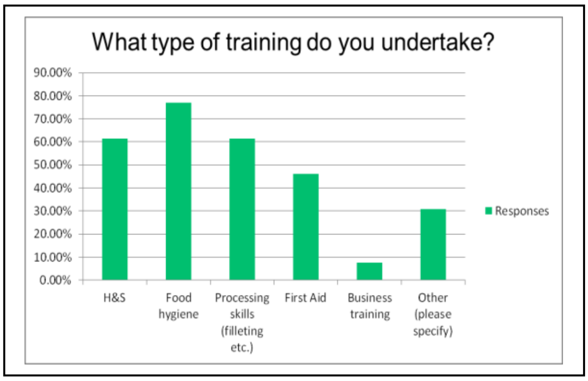
Answer Choices	Responses	
In house	92.31%	12
External	23.08%	3
Local college	0.00%	0
Other (please specify)	15.38%	2
	Answered	**13**
	Skipped	**5**



Question 6

What type of training do you undertake?

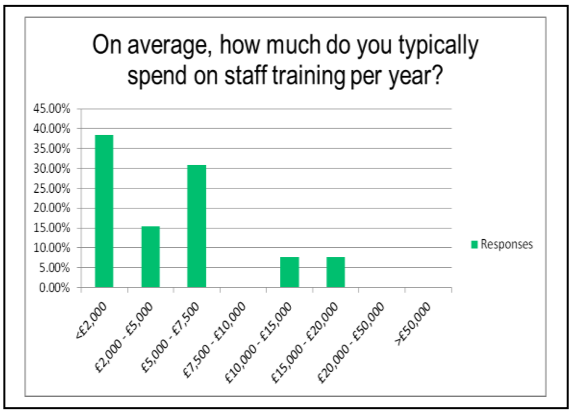
Answer Choices	Responses	
H&S	61.54%	8
Food hygiene	76.92%	10
Processing skills (filleting etc.)	61.54%	8
First Aid	46.15%	6
Business training	7.69%	1
Other (please specify)	30.77%	4
	Answered	**13**
	Skipped	**5**



Question 7

On average, how much do you typically spend on staff training per year?

Answer Choices	Responses	
<£2,000	38.46%	5
£2,000 - £5,000	15.38%	2
£5,000 - £7,500	30.77%	4
£7,500 - £10,000	0.00%	0
£10,000 - £15,000	7.69%	1
£15,000 - £20,000	7.69%	1
£20,000 - £50,000	0.00%	0
>£50,000	0.00%	0
	Answered	**13**
	Skipped	**5**



Question 8

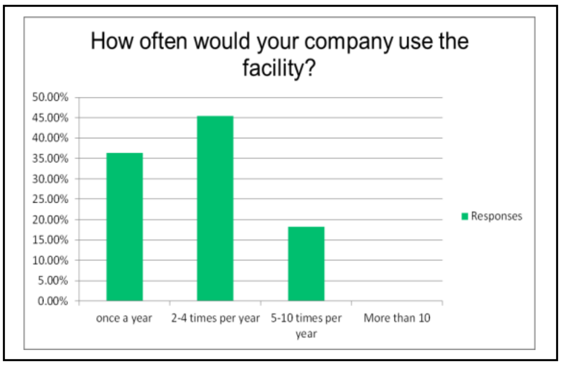
If a Scottish Seafood Centre of Excellence was set up in the North East would you use the facility for training your staff?

Answer Choices	Responses	
Yes	61.54%	8
No	38.46%	5
	Answered	**13**
	Skipped	**5**

Question 9

How often would your company use the facility?

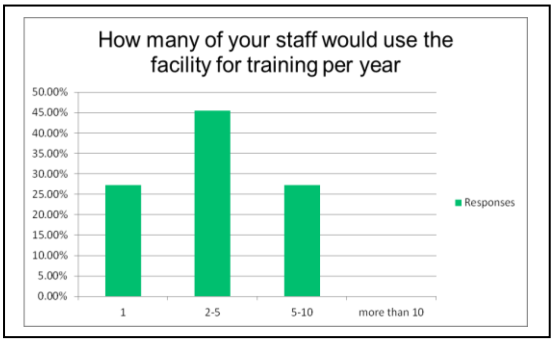
Answer Choices	Responses	
once a year	36.36%	4
2-4 times per year	45.45%	5
5-10 times per year	18.18%	2
More than 10	0.00%	0
	Answered	**11**
	Skipped	**7**



Question 10

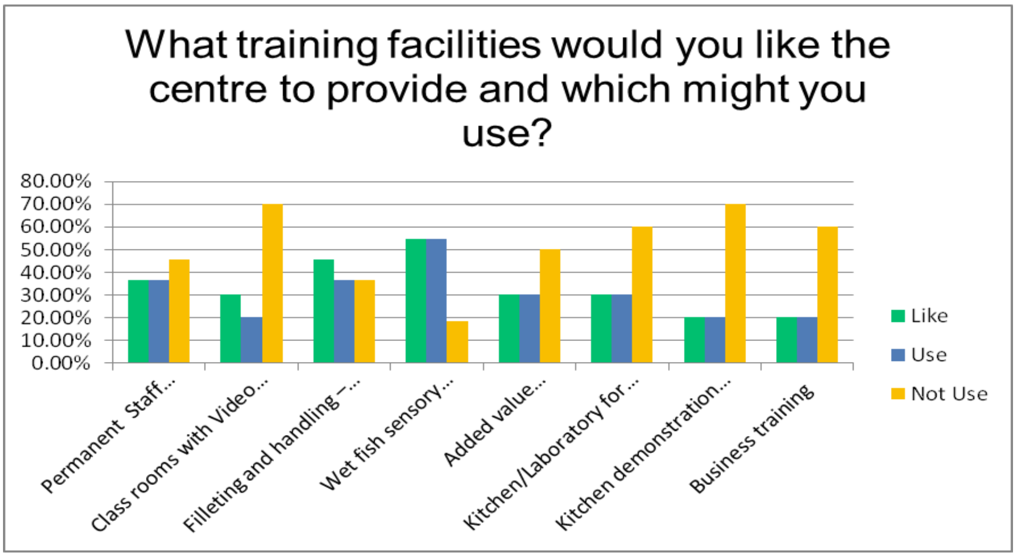
How many of your staff would use the facility for training per year

Answer Choices	Responses	
1	27.27%	3
2-5	45.45%	5
5-10	27.27%	3
more than 10	0.00%	0
	Answered	**11**
	Skipped	**7**



Question 11

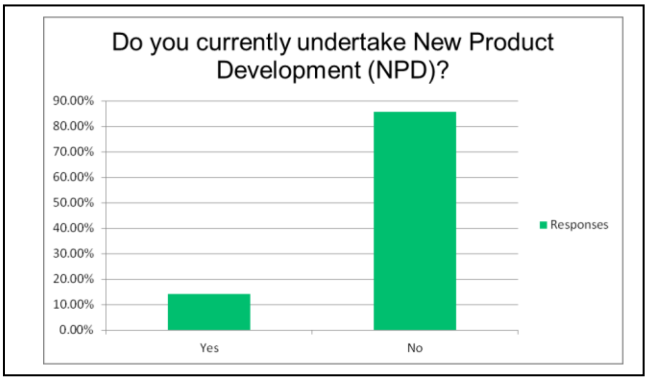
What training facilities would you like the centre to provide and which might you use?							
	Like		Use		Not Use		Total
Permanent Staff responsible for training	36.36%	4	36.36%	4	45.45%	5	11
Class rooms with Video conferencing facilities	30.00%	3	20.00%	2	70.00%	7	10
Filleting and handling – filleting benches	45.45%	5	36.36%	4	36.36%	4	11
Wet fish sensory assessment	54.55%	6	54.55%	6	18.18%	2	11
Added value processing – Smoking kilns etc.	30.00%	3	30.00%	3	50.00%	5	10
Kitchen/Laboratory for new product development -comprising specialist (	30.00%	3	30.00%	3	60.00%	6	10
Kitchen demonstration area	20.00%	2	20.00%	2	70.00%	7	10
Business training	20.00%	2	20.00%	2	60.00%	6	10
Other (please specify)							4
						Answered	**11**
						Skipped	**7**



Question 12

Do you currently undertake New Product Development (NPD)?

Answer Choices	Responses	
Yes	14.29%	2
No	85.71%	12
Where does this take place? (in house, local college etc)		4
	Answered	**14**
	Skipped	**4**



Question 13

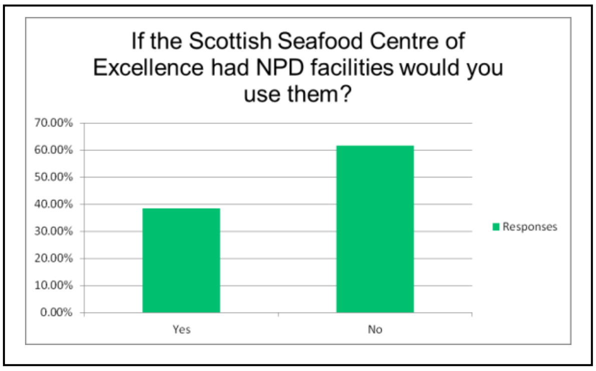
What type of NPD do you undertake and how much do you spend on it? (primary / different methods of filleting / further processing etc.)

Answered	**5**
Skipped	**13**

Question 14

If the Scottish Seafood Centre of Excellence had NPD facilities would you use them?

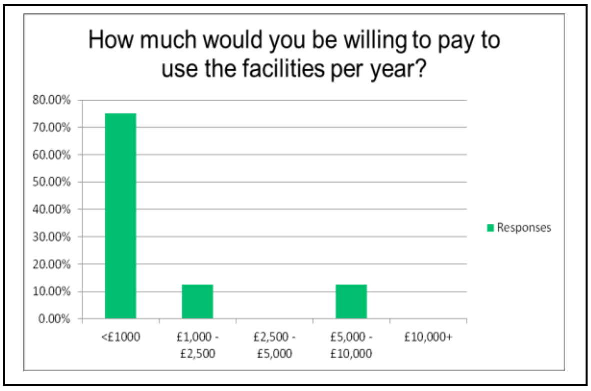
Answer Choices	Responses	
Yes	38.46%	5
No	61.54%	8
How many products per year would you use the facility to develop?		3
	Answered	**13**
	Skipped	**5**



Question 15

How much would you be willing to pay to use the facilities per year?

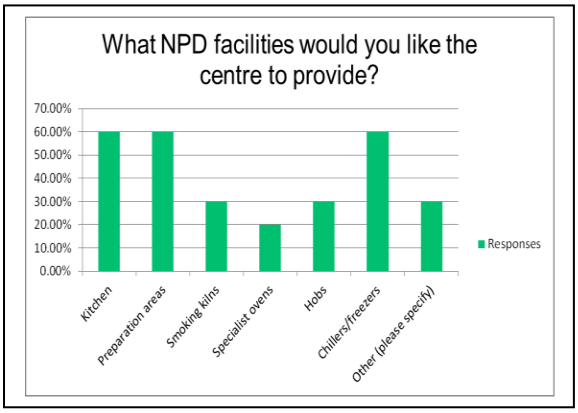
Answer Choices	Responses	
<£1000	75.00%	6
£1,000 - £2,500	12.50%	1
£2,500 - £5,000	0.00%	0
£5,000 - £10,000	12.50%	1
£10,000+	0.00%	0
	Answered	**8**
	Skipped	**10**



Question 16

What NPD facilities would you like the centre to provide?

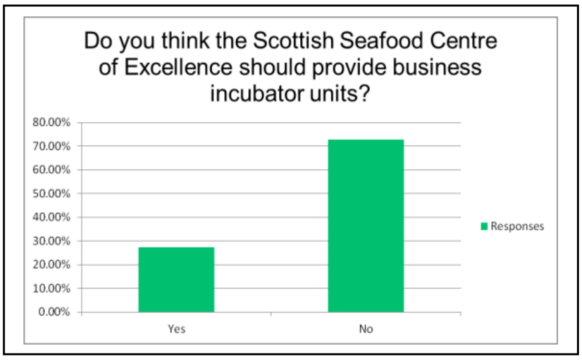
Answer Choices	Responses	
Kitchen	60.00%	6
Preparation areas	60.00%	6
Smoking kilns	30.00%	3
Specialist ovens	20.00%	2
Hobs	30.00%	3
Chillers/freezers	60.00%	6
Other (please specify)	30.00%	3
	Answered	**10**
	Skipped	**8**



Question 17

Do you think the Scottish Seafood Centre of Excellence should provide business incubator units?

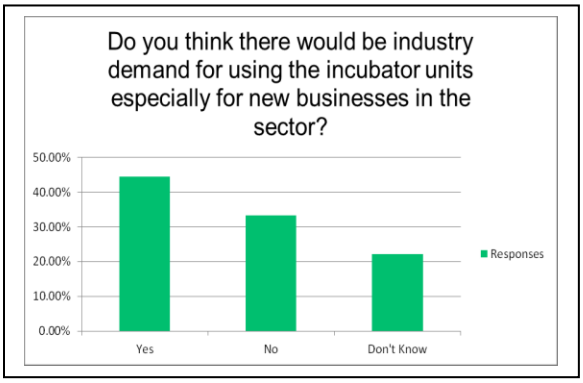
Answer Choices	Responses	
Yes	27.27%	3
No	72.73%	8
Please explain why		6
	Answered	**11**
	Skipped	**7**



Question 18

Do you think there would be industry demand for using the incubator units especially for new businesses in the sector?

Answer Choices	Responses	
Yes	44.44%	4
No	33.33%	3
Don't Know	22.22%	2
Please explain why		3
	Answered	**9**
	Skipped	**9**



Question 19

If the Seafood Centre of Excellence provided business support services which of the following would you use?

Answer Choices	Responses	
Market Development	40.00%	4
Market Research	30.00%	3
Consumer Insight	10.00%	1
Branding	20.00%	2
Labelling	40.00%	4
Packaging	40.00%	4
Sustainability	30.00%	3
Resource Efficiency	30.00%	3
Renewable Energy	40.00%	4
Export Opportunities	50.00%	5
Quality Control/Assurance	50.00%	5
Employment Law	20.00%	2
New Business Opportunities	80.00%	8
None	0.00%	0
Other (please specify)	0.00%	0
	Answered	**10**
	Skipped	**8**

Question 20

If the Centre offered workshops or individual business support would you be interested in taking part?								
	Yes		No		Not Sure		Total	Weighted Average
Business Workshops	41.67%	5	8.33%	1	50.00%	6	12	2.08
1 to 1 Business Support	20.00%	2	30.00%	3	50.00%	5	10	2.3
Would you be willing to pay for this and if so how much per event?							5	
							Answered	**12**
							Skipped	**6**