Scottish Islands Abattoir Project

Project Report

September 2013 - August 2016
Index

Executive summary

Introduction

  Project Origins
  Formation of the project

Initial steps

  Scoping visits and report
  Inaugural Abattoir meeting

Project Activities

  Advisory board established
  Scoping Visits
  Business planning mentoring
  Forming the Association
  Capital Expenditure support
  Quality Management Programme
  Skills and training support
  Resource Efficiency
  Communications, meetings,
  Communications - website, intranet and collective branding,

Project experience per Abattoir

Project Impact on Businesses

Potential Next Steps

Agency interaction and support

Appendices

  1  Project Team Members
  2  Advisory Group Members and Terms of Reference
  3  Capital Expenditure Procedures
  4  Capital Expenditure Timeline
  5  Benchmarking Table
  6  Association and Abattoir Logos
  7  Proposal Outline Diagram
In the last three years, despite ongoing very difficult trading conditions the seven Scottish Island Abattoirs have continued to add value to livestock production. This has amounted to the production of more than 37,250 carcasses.

Had the abattoirs in Barra, Islay, Lochmaddy, Mull, Orkney, Shetland and Stornoway not existed there would have been a detrimental impact on the welfare of the beasts slaughtered by these abattoirs. The positive effect that the abattoirs have brought is in animal welfare both in minimising the distance that animals would have had to travel to slaughter and the contribution made to biosecurity by keeping food production local.

As well as the positive impact on animal welfare and biosecurity, the project has confirmed the most obvious benefits are that small local abattoirs provide employment in regions of limited employment opportunity and make a significant contribution to the production and marketing of local produce. The project has highlighted that increasingly, local people, restaurateurs and tourists prefer locally produced, quality food with an origin they can trace.

“Involvement in the project has given us confidence regarding the future. We’ve all improved our positions as regards sustainability of the business, and we’re all in a better position now than we were at the start of the project.

*If the project was to gain sustainability, that has been achieved, but we now need to focus on growth!*

Statement agreed by all abattoirs at their meeting in Mull on 19th May 2016

Also a comment captured at an Advisory Board meeting in June 2016,

“It’s truly astonishing how much benefit has been achieved by a project with such a comparatively small budget.”
Executive Summary

In 2013, a project was suggested by His Royal Highness Prince Charles, Duke of Rothesay to support the sustainability and future of the seven island based abattoirs throughout Scotland.

The objective of the project was to consider how the economic sustainability of the seven island abattoirs could be ensured, their levels of operation improved and increased.

The project was funded by the Prince’s Countryside Fund and the Scottish Government and facilitated by a team which comprised Scottish Agricultural Organisation Society (SAOS) and Scottish Business in the Community (now Business in the Community Scotland). They formed a project team which included project management consultants, dbs projects, to work with the abattoirs in Barra, Lochmaddy (North Uist), Islay, Mull, Orkney, Shetland and Stornoway. In addition, a Project Advisory Group consisting of representatives from industry agencies provided the project expert guidance and advice and supports the project team.

The project has allowed the seven distinctly different abattoir businesses to meet and share challenges and examples of good practice. These meetings proved so successful, the Abattoirs formed the Scottish Island Abattoir Association (SIAA) to provide a collective voice and ensure that they continue to work together beyond the lifetime of the project.

The project’s key aim was to support the sustainability of the abattoirs, which meant working with a number of agencies and training providers to ensure that the abattoirs’ staff very specific skills levels were catered for and were in line with the growing demand of regulations. A number of facilities have taken the opportunity of recruiting using a Government training initiative of Modern Apprentices as a way of bringing new and young people in to the Sector, and all abattoirs have undertaken quality management training.

Through the funding provided by the Prince’s Countryside Fund the project has contributed to improving the infrastructure to the majority of facilities by making appropriate capital investment. All investments have been subject to mechanisms that support quality and sustainability including assistance through business mentoring, commitment to an effective quality management plan and commitment to skills development.

As regards business development, many of the Western Isles abattoirs are in the position to positively exploit the Deer Management (venison) policy and are now actively marketing their facilities to cater for supporting the local estates, and indeed some have received positive forward notification of future kill levels.

The businesses are more confident and ambitious about reaching new markets, but continue to be frustrated that their product, despite its high quality and unique provenance, remains to be perceived as expensive and unattainable by many residents within their island community.

Brexit implications could be severe for farming communities on the islands as it is forecast that direct support payments to farmers will fall or possibly disappear. The retention and improvement of abattoir and processing facilities on the islands is therefore all the more important to ensure that farmers in these fragile communities can achieve a greater market return.

Support of local produce varies throughout the area, ranging from Orkney which has developed a strong “Orkney” brand and enjoys local, tourist and public procurement support. Some abattoirs find it difficult to market locally whilst others are taking steps to develop direct retail facilities.

Over the last 3 years (September 2013 to August 2016) the project has delivered:

- Capital investment of £110,000;
- Encouraged and supported 13 Modern Apprenticeships;
- Developed and introduced a Quality Management Programme;
- Provided training in quality management for abattoir management staff;
- Provided business mentoring;
- Provided benchmarking information on a range of business-specific issues;
- Established the Scottish Island Abattoir Association;
• Commissioned and agreed a logo, website and promotional materials for the Association and member abattoirs:
• Commissioned Resource Efficiency Audits for all facilities:
• Contributed to increased kill figures over the three-years of the project:
• Contributed to increased staffing levels in five of the participating abattoirs:
• Contributed to an increase in turnover (2015/16) for all abattoirs involved in the project.

The abattoirs have provided data demonstrating that they have all experienced steady growth over the period of the project and are now in a better, more secure position than before. The consensus is that the project has made a significant contribution to this situation.

The increase in the numbers of animals processed and turnover highlighted in this report confirms that the abattoirs are encouraging more local business and addressing, what they see as, latent demand on the islands.

However it is sadly ironic that the abattoir which has demonstrated the greatest level of potential, enterprise and endeavour, Orkney, is the one with the most perilous future. The issues surrounding the cost to run the existing site, having been designed to operate at over 15 times the current throughput, has now resulted in high level discussions regarding the continuance of the facility.

As the worldwide market for waste has recently diminished the operators are now experiencing a negative impact. Rather than a revenue generation opportunity of their waste management, it now represents a significant cost which brings the viability of the abattoir into question.

It must be stated however, that this does not reflect the endeavour and positive attitude of the consortium of local butchers who united to ensure that such a facility would be maintained.

Additionally, the facility in Stornoway is subject to the pressures upon local authority spending and following the 2016 budgetary review, intimation was received that the facility would have a significant spending reduction imposed, which will require the management team to consider their operational offer to the community, due to these impacts.

Recommendations from the Project

This report concludes with a number of recommendations. These are summarised as:

• That support is sought to ensure the Scottish Island Abattoir Association delivers a major brokerage, marketing and sales project that incorporates local branding under a collective banner e.g. Scottish Island Meats.
• That the proposed project recommended above is supported centrally by the Scottish Island Abattoirs Association.
• That as part of the ongoing review process for the Quality Management Programme the Association looks at the Programmes alignment with insurance companies’ risk assessment requirements.
• That the Association explore the potential of local authority/government/health boards’ procurement by making a strong case for the added economic and social advantages of local supply.
• That through the Association the Island Abattoirs’ contribution to deer management is promoted and recognised.
• That the Association endeavours to become self-funding as soon as possible and within three years.

On reflection, the project was established to gauge the levels of sustainability within seven independent, island based abattoirs and to investigate methods to improve upon what had been observed.

The abattoir operators now have healthy and meaningful discussions amongst themselves, which did not happen previously to any great extent.
They have reviewed their business models, considering the best advantage of capital expenditure support, and had that process counter checked by a panel of industry experts, independent to the abattoir businesses.

The abattoirs have also reviewed and embraced new procedures regarding Quality Management, staff recruitment, staff training and operational safety, whilst ensuring the welfare of the animals is always maintained as a key critical element of their business.

They have investigated and enthusiastically embraced the next steps of raising awareness of their role in the community, the quality of the service offered and the value of that product, both within their communities but also to wider and new markets.

The future remains challenging for all the abattoirs. This is especially concerning with regard to Orkney which is currently subject to a review of the premises by Orkney Islands Council and Highlands & Islands Enterprise which may significantly affect any future existence.

This situation may well resolve itself in the near future, but it acts as a poignant reminder of the particularly perilous state in which all seven of the island based abattoirs find themselves, and it is of some succour and pleasure that the project can be seen to have genuinely helped, guided and inspired the businesses to hopefully contend with these ongoing difficult operating conditions.
Introduction

Project Origins

Across Europe and in many parts of the developed world, the future of small abattoir facilities are increasingly under threat with increasing costs, regulation burden and low through-put. Scottish Island facilities are at the sharp end of this situation with the added threat posed by their peripheral locations. The fragility of these facilities was recognised by HRH Duke of Rothesay and in August 2013 the Scottish Island Abattoirs Project was launched with three-year funding awarded by the Prince’s Countryside Fund and the Scottish Government.

These facilities are critical parts of the rural infrastructure; they enable primary agriculture to take steps to add value to produce and thereby improve the financial returns in peripheral rural areas. Tourism is increasingly important to these islands and will continue to be so for the future. The marketing story for these regions relies upon the outstanding environment and the pure food produce that is produced within it. Provenance and welfare are large parts of this regional food story and are enabled by the presence of operational island abattoirs.

Recent studies have shown the critical cost overheads for Island facilities include costs associated with meat hygiene, processing and waste disposal. However increasing through put for these facilities can only be part of the answer as costs increase quickly in small plants.

Indeed the need for these overheads is largely due to the requirement to adhere to strict regulatory control, an on cost not met by those involved in home killing of animals, a practice which continues to be a concern to the industry.

Formation of the Project

The project was facilitated by a team which comprised Scottish Agricultural Organisation Society, Scottish Business in the Community (now Business in the Community Scotland) and dbs projects working (details of the Project Team are provided in Appendix 1) with abattoirs in Barra, Lochmaddy/North Uist, Islay, Mull, Orkney, Shetland and Stornoway. A Project Advisory Group made up of representatives from industry agencies provides the project expert guidance and advice and supports the project team.

Beneficiaries - The seven primary beneficiaries of this project are the following island abattoirs; Barra, Lochmaddy, Islay, Mull, Orkney, Shetland and Stornoway.

Objectives - The economic sustainability of the seven island abattoirs will be significantly improved. The networking of the facilities will allow a stronger support network to remain in place and secure their futures. The continuation of the facilities will provide a service to the remote island communities and improve their social capital.

Profile of Project Funders

Prince’s Countryside Fund
The Prince’s Countryside Fund is a charity established by HRH The Duke of Rothesay. The Fund provides grants to projects that support the people who care for the countryside. It is supported by a unique collaboration of businesses working together to secure a sustainable future for British agriculture and the wider rural economy.

The Fund provides grants that aim to improve service provision in rural areas, support rural enterprise, support farming businesses, and provide training opportunities for young people and educating people about the value of the countryside.

The Scottish Government
Scottish Ministers have devolved competence for agriculture and rural development and are committed to supporting rural life, rural communities and the rural economy. An important part of this policy aim is their on-going commitment to actively support projects that will provide a sustainable and viable future for the livestock industry, including the meat processing sector, in all parts of Scotland.
Profile of Project and Project Partners

Scottish Agricultural Organisation Society
Scottish Agricultural Organisation Society (SAOS) is Scotland’s expert on farmer co-ops and food industry collaboration. They provide a range of specialist information, development and consultancy services. SAOS are owned and governed by their members and have a team of project managers who specialise in Rural Development projects across Scotland.

SAOS focusses on farmer co-operation encouraging better business while safeguarding Scotland’s independent family farms, as well as food industry. A key objective is connecting producers and consumers in their passion for quality Scottish produce.

As SAOS hosts projects and programmes that can benefit farming communities in Scotland, their hope was not only to support the Island abattoirs but positively enhance other associated agricultural endeavours.

Scottish Business in the Community
At the start of the project Scottish Business in the Community was a Prince’s Charity and an independent company with charitable status. On 31st December 2015 Scottish Business in the Community and Business in the Community merged, the new name for the responsible business network in Scotland is now Business in the Community Scotland. It continues to be a Prince’s Charity Business in the Community Scotland (BitCS) forms a bridge to help make the right difference in communities all over the country by:

- Helping to tackle poverty and getting vulnerable, disadvantaged people into work – and back on their feet.
- Working with children and young people to gain skills and have aspirations that can change the course of their lives.
- Making workplaces fairer, more productive and more sustainable.
- Improving our civic spaces through harnessing the effort, expertise and commitment of Scotland’s workforce.

BitCS has member businesses of all sizes in a wide range of sectors, these businesses represent over ten per cent of the working population in Scotland. BitCS are the industry experts in socially responsible business and, with their members, provide the thought leadership that will help transform businesses and communities across Scotland and beyond.

The Project Team was supported by dbs projects, who were engaged to conduct the initial scoping exercise to establish a profile of the individual abattoir businesses, and to identify areas of commonality.

Following submission and acceptance of the Initial Scoping Report, dbs projects were retained to support and facilitate the development of the project.

Profile of project businesses (as at the start of the project)

Barra
The abattoir on Barra has been owned and operated by Archie Maclean and his family in its current location since 1984. It is utilised by approximately thirty of the local farmers and crofters and although Archie can call upon assistance when required, the workload is almost entirely accommodated by Archie himself.

Over the years, the Maclean family has added to the facility and the abattoir has the physical scope to potentially offer a retail outlet and/or a café/eatery, should the business require.

Islay
The abattoir on Islay was opened in 2009 and is owned by the Dunlossit Estate. The development was funded by a grant from Highlands and Islands Enterprise, which is being reduced in a sliding
scale. Achieving independent viability is very important to the Estate, and following a business review in 2011, the current operational model was established with the business processes continuing to be managed by the estate, but the slaughtering being carried out by a local butcher, Alasdair Porter.

**Mull**

The Mull Slaughterhouse Ltd. is an organisation established for the benefit of the community (commonly known as a BenCom), and is established as a community owned provident limited company, with a board of voluntary directors. It is also known to some as the Mull and Iona Abattoir. The business is recovering from a catastrophic fire in 2010, following which a great of the premises were rebuilt for reopening in 2011.

**North Uist**

The abattoir in North Uist is privately owned and is part of a larger, long established family grocery business, J. Morrison of Lochmaddy. Indeed, the abattoir which is only a short distance outside the town of Lochmaddy, has been operated within the family business for about half a century. Whilst serving a loyal customer base, the scale of business this generates locally has recently seriously called into question the viability of the abattoir section of the business.

**Orkney**

The abattoir in Orkney is operated by a partnership of 4 local independent butchers who have formed a partnership as the Orkney Meat Processors Ltd., with the sole purpose of safeguarding and developing an abattoir facility on Orkney. In June of 2012, they began operating 1 kill per week, usually on a Tuesday, from the Orkney Islands Council’s Hatston facility in Kirkwall, to fill the gap created when the previous operators ceased operation. The facility operates with 6 staff in the abattoir and kills mainly cattle and sheep in addition a small level of pigs which they are keen to increase.

**Stornoway**

Stornoway abattoir was previously operated by Heather Island Meats but that business went into liquidation over 10 years ago, and the abattoir is now operated by Comhairle nan Eilean Siar (Western Islands Council).

A great deal of focus is required to ensure that the settled team of 6 employees, (4 full time hours plus 2 part time hours) are able to staff the operation however, as the facility is not operational throughout the full year, closing from January through to June, opening for the new season lambs.

**Shetland**

The abattoir opened for trading in its current premises in August 2011, and is owned by the Shetland Abattoir Cooperative Ltd. (SACL) and run as a BenCom, operated by the Shetland Livestock Marketing Group (SLMG).

Its premises are located within the Shetland Rural Centre site on the outskirts of Lerwick with a business grouping of the abattoir, the mart and an agricultural store.

**Initial Steps**

**Inaugural Abattoir Meeting**

The Project Team arranged and facilitated an inaugural meeting of the abattoirs in Glasgow on 19th June 2014. The meeting was supported and hosted by Bank of Scotland and was the first time the abattoir managers had met each other.

The meeting provided the opportunity for the Project Team to outline the aims of the project and for each abattoir to describe their facilities, outline their operational model and highlight the challenges they were facing.
The abattoirs struck up an instant rapport and were keen to share experiences and how they had met individual challenges. The inaugural meeting formed the basis of a strong working relationship between the Project Team and the abattoirs and between the abattoirs themselves.

The openness and willingness to share ideas, contacts and processes has continued throughout the project and will, hopefully form an ongoing element of the Scottish Island Abattoir Association

**Business Scoping and Report**

The Business Scoping exercise, was conducted between the months of December 2013 and February 2014, with a member of the Project Team (David Stewart) visiting each of the seven island-based sites personally. It was felt that the information gathered in this phase required to follow as consistent a model as possible, but recognising the great variances in the structures, operating models and business positioning of each of the businesses. The response from each abattoir was encouraging and welcoming. Indeed a few commented that this was the first contact from an external agency wishing to discuss their business or the industry, for many years.

The visits highlighted that no two facilities are the same; however, there is a high level of similarity in the challenges and barriers they all face. All the abattoirs have some degree of call upon the support available through the project and its associated activities.

**Identified areas of strength and concern**

**Common areas of Strength**

- **Animal welfare and respect** – the relative close proximality of each of the abattoirs ensures that the animals are only exposed to short levels of transportation. However it is the close community bond between the producers and the abattoir that is the overriding positive influence. These people know and trust one another, they know how the animals have been reared, and the measures the producers have had to take to ensure the animals’ development with the utmost humanity. And quite simply, the purity of the landscape and environment of these locations lend themselves so well to ensuring the quality and wholesomeness.

- **Community resource** – although the abattoirs in isolation do not employ a vast number of staff, they do possess a unique position in the whole ‘farm-to-fork’ process, which without them would present significant impacts upon the sustainability of the overall, local food production process. A product being raised, produced and marketed upon an island holds a great cache, rather than just any single part of the process. There are also key skills and learning that can be retained in the location that tie in with the traditional and contemporary skills development.

- **Flexibility of service** – the abattoirs know their producers and over years of mutually beneficial trading, have become accustomed to producing the type and range of cuts required. Additionally, many of the abattoirs can evidence new techniques or new products to suit a changing market, which they will suggest and discuss with the producers. Many host event nights such as those provided by QMS, to educate the producer on many aspects such as changes in market trends, increasing the yield per carcass and selling or cooking tips.

- **Quality of product** – each abattoir sits in its own special part of our wonderful countryside. Considering the welfare of the animals, the beauty and freshness of the land upon which they were raised, and the combination of the local community working together, knowing and depending upon one another so closely, determines a very honest, high quality product is the result.

- **Potential to be significant economic contributor** – the potential to market the uniqueness of the Island or Islands product remains practically untouched. There is a history of brand development for sale to the rest of the UK in a higher scale, which proved ultimately unsuccessful, but lessons can be learned from this, and a huge opportunity lies in developing both increased ‘home’ markets, which are vital to the abattoir, but also an ‘export’ to the rest of the UK and beyond, which would need to be supported by a specifically designed supply and marketing chain.
Common areas of Concern

Waste management
• There are a number of aspects concerning the impact of waste management. In the early stages of
  the project, only one of the abattoirs (Orkney) actually derived a positive revenue from their waste
  management. Orkney discussed how to store and prepare waste to meet a purchasing company's
  requirements, and indeed stored waste under deep freeze conditions, until they had amassed a
  suitable quantity for transportation. Unfortunately, the purchase price dropped significantly, reducing
  the viability of the sale of waste for all abattoirs.

• Most of the abattoirs incurred a cost disposing of their waste, whether that was in payment of landfill
  charges or, as in Islay’s case, operating a very costly incinerator.

• Most derived some form of revenue from selling the animal skins to dealers, but investigations by
  the project team show that they are receiving very differing rates of payment and transportation
  arrangements. Indeed, this formed part of a benchmarking process, comparing the costs and
  revenues of many cost centres such as waste, but also including energy costs, etc.

• Traditionally, for many of the locations there is a great call for local recipe products, such as black
  pudding, but even blood is not being utilised effectively, with most of the abattoirs disposing of it
  rather than processing it in the required manner.

• There is a really positive opportunity for closer scrutiny in this whole area to investigate how each
  establishment can operate a waste management policy that not only conforms to local authority
  requirements, but derive a positive income rather than being a very significant on-cost. This
  investigation should look at both the individual establishment’s waste management opportunities, and
  also a new opportunity of the abattoirs working together to secure better prices and trading
  arrangements.

Cost management
• Each of the abattoirs run so very differently from one another, but there are so many aspects that
  they have in common as businesses. Some of the key areas that a cost management review could
  assist the businesses in is utility costs, cleaning costs, staff development costs and operational cost
  modelling.

• A further desirable area for the project to investigate is the utilisation of energy saving and resource
  efficient technologies, such as the introduction of photovoltaic cells, wind power generation and heat
  exchange. The majority of the abattoirs will have some capacity to consider these options, provided
  that they were availed of cost and benefit analysis.

Business development
• It goes without saying that all of the abattoirs are located in comparatively remote areas, given that
  they all are on the Scottish islands. This offers a great degree of positives from a marketing
  perspective, given the clean, unique and wholesome surroundings. The cache of a single island
  location or even a grouped identity of “Scottish Islands’ Product” evokes values for which there would
  be a value perception.

It would be a useful exercise indeed to evaluate the strength of this message and how best to market
the provenance of the establishment(s) and the product range.

• The high maintenance and operational costs of each facility combined with comparatively low
  throughput levels result in a high cost per unit. A further useful exercise would be to demonstrate the
  additional value that the abattoir can offer. Some good work has already been undertaken by some of
  the abattoirs in isolation, particularly Lerwick, who can demonstrate the enhanced yield of any given
carcass, and additional value added items compared with the more naive butchering that may be experienced in a "home-kill" product.

- Indeed, home-kills abuse and the possible introduction of mobile slaughter facilities, pose an enormous threat to each abattoir. The Island based abattoir has huge overheads to maintain compared to any mobile unit. There is a fear, although hypothetical, of contamination entering the local food market via the mobile unit, but the first port of call for any scrutiny and possible inappropriate criticism may fall upon the local abattoir, as the mobile unit will have been and gone.

**Home kills**
One common area of concern is the existence of home killing. Whilst all in the industry appreciate the existing right of a producer to kill their beast for their own consumption, it is evident that the degree of killing in some areas carries on to a level significantly more than just for the satisfaction of the home need.

This illegal practice not only deprives the abattoir of potential revenue, but introduces to the domestic market an inferior and potentially dangerous product, produced by a process with little acknowledgement to the animal's welfare and no official adherence to food safety.

**Inability to directly influence throughput**
Many of the abattoirs very successfully conduct a large percentage of their work as a “service kill” with the ownership of the animal and resultant product remaining solely with the producer. However, the maximisation of the cache of each installation’s quality of service and quality of product is compromised in many instances by the fact that the abattoir is providing a “service kill”. The animal is presented to the abattoir for slaughter and possibly slaughter and butchery.

The capacity to add value in this instance is greatly limited as the main transaction is purely for that agreed service to be conducted, which is perfectly understandable and suited if the customer in that instance is a butchery business for example, who will retail the finished product.

A simple joint business arrangement would need to be scoped if that agreement was to be taken to a higher level and the product range offered or marketed to an additional client group or market. Within the service kill arrangement, the opportunity for product development is also limited. The method and format of the product will have been agreed with the producer and often this agreement will have stood for many years. There is a possibility that the expectation of the end customer of how a product should now be presented to them may have changed with the growth in interest in of cookery programmes, books and techniques. To quote Henry Ford, "If you always do what you've always done, you will always get what you always got!" and the opportunity for the value add of more flexible and easier to cook cuts may be overlooked.
Project Activities

Support of the Project Advisory Board

A Project Advisory Board (see Appendix 2 for membership and terms of reference) was established during the first month of the project.

In addition to committing to attend meetings or if unable to attend to arrange for an appropriate representative from their organisation to deputise, members of the Project Advisory Board also committed to be available to support key project activities and events.

The Project Advisory Board have supported all project activities but have been particularly involved in the Capital Expenditure and development of the Quality Development Programme elements of the project as outlined in the following paragraphs.

This Board met six times. The Board’s remit is:

- to ensure the proposals which are brought to the Board are sensible and viable.
- to use the expertise on the board to operate a joined up approach in looking for overall solutions. The broad membership of the Board should ensure that knowledge and experience from the different organisations can be used to achieve this.

Areas of Positive Intervention

The following section of the report provides a brief outline of the activities carried out during the project. The comments from the abattoirs were gathered during an interim qualitative evaluation carried out in late 2015.

Scoping visit

As outlined above the Business Scoping exercise, was conducted between the months of December 2013 and February 2014, with a member of the Project Team (David Stewart) visiting each of the seven island-based sites personally. The visits highlighted that no two facilities are the same; however, there is a high level of similarity in the challenges and barriers they all face.

All the abattoirs have had some degree of call upon the support available through the project and its associated activities.

Abattoir comments on this element of the project:

"Given the operational differences between abattoirs, the initial scoping visit was considered necessary to see how each business operated. The visit was useful to the abattoir but was more important to the Project Team as it gave them an understanding of each abattoir’s situation, ways of operating, etc. This allowed the Project Team to make comparisons, understand the differences and be aware of each abattoir’s needs. It provided a strong foundation for the project." (Mull)

"The visit fell at a really low time as we were considering closing the business! We had no preconceptions as to what the project may offer, but had hoped that it would help provide some form of improved financial stability. The visit itself was very good, clearly stated what the project hoped to achieve, and that suited us as we were in a dire situation. It's provided some optimism for the future". (Lochmaddy)

"Very useful visit. We had no major preconceptions as to what might come other than we have seen initiatives come and go, and thought this project might be the same. It was encouraging however, that it had been planned to pay personal visits to the abattoirs. This was useful as face to face discussions are very important". (Barra)

Business mentoring

The project has benefited from the involvement, on a pro bono basis, of David Hannon, Clydesdale Bank’s Head of AgriBusiness. David has become an integral member of the project team. In addition
to commenting and, where appropriate advising on financial and business processes. David has assessed the financial viability of each facility and made broad comment on proposed capital investment.

Abattoir comments on this element of the project:

“The visit by David Hannah (Clydesdale Bank) was extremely useful and a number of the suggestions made at the initial visit were implemented immediately. The abattoir has maintained links with the business mentor who has continued to provide advice, guidance and support. The abattoir has found the feedback and constructive comments made by the mentor to be extremely useful.” (Mull)

“David Hannon’s meeting with Archie was very useful. He seemed genuinely interested and it helps to have a visit from someone as experienced as him.” Barra

Creation of the Scottish Island Abattoir Association

Supported by SAOS, the seven island abattoirs have formed the Scottish Islands Abattoirs Association (SIAA) to build upon the development of the project, to investigate real methods of business enhancement and improved sustainability. The Association will provide the member abattoirs with a collective voice. Already, the Association have provided feedback on a number of consultations on proposed legislation. The Association will provide a collective voice beyond the lifetime of the project.

This has been further enhanced informally by establishing closer and more relevant linkage between the seven individual businesses. They too recognise the shared opportunities and threats and a great deal of peer-to-peer discussions and information sharing now takes place amongst the group, which had not happened to any great degree, previously. As members of a very small group within a specialist industry, hampered by the added pressures of their remote, fragile economies, this surely can only be a good development.

Abattoir comments on this element of the project:

“This is a positive element of the project as it gives the abattoirs a collective voice and, hopefully, more “clout” when dealing with the various agencies involved in the legislation of abattoirs.

It will be crucial that the Association is resourced to ensure that it continues beyond the end of the project.

Stornoway abattoir provides a service and as such has no commercial product(s) to sell, as a result, branding and marketing activities are seen as less important.” (Stornoway)

“Good and positive step providing a vehicle to communicate the value delivered by its members. Having the endorsement of appropriate agencies e.g. FSS, QMS, etc. is important. The Association provides small abattoirs with a credible collective voice and encourages those agencies to take a consistent approach when dealing with member businesses. A major concern is the Association’s longevity beyond the end of the project.” (Shetland)

Capital Investment

The Project Advisory Group were keen to ensure that support for capital investment was linked to mechanisms that support quality and sustainability e.g. through business plans, commitment to an effective quality management plan, commitment to skills development, etc.

The Project Advisory Group recommended that the Project Team establish a robust diligence process that ensured any spend was contributing to an improvement of quality in each abattoir. This includes quality of processes, safety of processes and quality of products leaving the plant.

In establishing a robust and diligent process, the Project Team ensured that:
• Individual Abattoir audits were requested and problem areas identified and matched with proposed improvement.
• Skills development included the development of a Quality Management Plan for each facility.
• All spend did not conflict with any state aids
• Expert verification on spend areas was taken on to ensure sensible spend on equipment and infrastructure.

On the latter point the Project Team engaged Alan Kirkwood to carry out an expert assessment of all requests for capital expenditure. Alan Kirkwood has had a successful career in the sector gaining extensive experience most recently in the commissioned of Ayr abattoir and the in the redesign of the Orkney Meats facilities for a more efficient base to operate on which would have eventually shown a cut in cost. Alan visited all abattoirs, discussed their requirements and provided both abattoir staff and the Project Team with his recommendations.

It was agreed that the purchasing arrangements used by SAOS met the due diligence requirements recommended by the Project Advisory Group and this was adopted. In addition to the agreement of an independent advisor (Alan Kirkwood), abattoirs were required to obtain three quotations for the capital investment, make a decision on the basis of the best quotation, order, receive and pay for the items, before submitting the invoice to SAOS for payment. The capital expenditure guidance issued to each abattoir is provided at Appendix 3.

The capital expenditure for each abattoir is summarised below (specific detail is provided later in this report):

Barra – the facility requires some basic upgrading to improve the production line. This has involved improving the plumbing in a two stage operation, upgrading the electrics and carrying out a refit of production facilities.

Islay – is a very modern facility that is of a high standard. The programme highlighted the issues with the incinerator as it had been purchase 2nd hand. After a long review of all the alternatives with many agencies the decision was taken to install a new more efficient incinerator, SIAP assisted with this.

Lochmaddy – is a facility where the fabric of the building had major issues. The programme assisted with the erection of a roof repair to ensure the building was fit for purpose. Internally the production line needed some improvements. SIAP has assisted with improvements to the race and cattle stunning box as well as the purchase of a pig stunner. The other major issue has been with waste handling, SIAP has assisted with the purchase of waste containers and liaised with the local authority to ensure these can be suitable for the Lochmaddy and council end of the process.

Mull – is a facility with a mixture of old and new equipment having been remodelled over a number of years. As the facility expands storage capacity became an issue. The SIAP assisted with the purchase of a new chiller unit to allow an increased storage capacity for carcasses. The increased through put also highlighted a problem in the production line throughput. SIAP assisted with the purchase of a static band saw that has halved the time of breaking down carcasses. The Business Mentor assessed that direct retail was an opportunity for the facility, SIAP has assisted with the landscaping of the site and the erection of a retail premises to allow the facility to capitalise on direct retail.

Orkney – is a very large facility that is too big for its current through put. It was built for a previous operation where the through put was over 200 cattle per week. The facility is owned by the local authority but run by a collective of local butchers. Therefore, any SIAP spend had to be on assets that could be moved or adopted in a new facility. The first purchase was of a small splitting saw to be used to allow the processing of North Ronaldsay sheep for a high value Faroese market. The carcasses were generally 3 years old and required a specialist saw.

The other area the butchers managed to address, at that time, was waste handling, managing to freeze and export waste to reduce costs. SIAP intended to assist in the purchase of waste containers that makes the handling of waste much more efficient, but at the time of concluding the report consideration was being given to invest in an incinerator unit, in order to better manage waste disposal rather than transfer. However, as there is currently doubt about whether the premises are to
be retained, it was viewed that no expenditure of capital should be made until the security of tenure of the property was established.

Shetland – is a modern facility similar to Islay. Throughput has increased requiring the installation of more effective hoists that can speed up the process, SIAP assisted with this purchase. Shetland have also seen the opportunity for direct retail and for adding value to their customers. SIAP has assisted with the redesign of their building to install a fit for purpose cutting room.

Stornoway – no capital expenditure was possible here as it is a local authority owned and run facility.

Appendix 4 provides information on the capital expenditure showing the items funded and when they were purchased.

Abattoir comments on this element of the project:

“Very beneficial. The abattoir has benefited by securing funding to upgrade the band-saw and chill facilities and a further claim might be made before the end of the project. The project’s cap ex procedures are straight forward and not overly onerous especially when compared to other schemes/programmes. The cap ex process has probably been made easier/better by the project team’s understanding of the business gained from visits carried out and discussions with abattoir staff.” (Mull)

“We have received our new stunner which is very helpful. It's easier and cleaner and is a very useful addition to our operation. We were using the gun before and the stunner is far cleaner and better.

We are scheduled for the roof replacement but that will have to wait until Spring 2016 for the weather and the availability of the tradesman.

We found the Alan Kirkwood visit very useful. He was interesting and very experience. He was interested in the business and chatting to him was really useful.” (Lochmaddy)

Quality Management Programme

As highlighted above, the Project Advisory Group was keen that support for capital investment was linked to appropriate mechanisms that provided ongoing support for quality and sustainability.

Discussions with the appropriate agencies and a subsequent Internet search confirmed that there were no quality standards and/or approaches tailored specifically to small abattoirs.

In taking this forward, the Project Team received valuable input from the Project Advisory Group, particularly Food Standards Scotland and Quality Meat Scotland who offered information and advice throughout the development process.

In exploring the introduction of a consistent approach to quality and quality development the Project Team were aware that all facilities had some quality checks and processes in place but these varied across all the abattoirs. Additionally, the Project Team were aware that any system developed could not be overly onerous in terms of time.

The Project Team, supported by Food Standards Scotland and Quality Meat Scotland, drafted a quality programme that was distributed to the abattoirs for comment. Based on comments received the document was amended and distributed again. Again comments were incorporated and a final version was agreed and distributed to all abattoirs in September 2015.

The Scottish Island Abattoir Quality Programme covers two business critical areas:

1. the quality of product and the preparation required within all processes attached to the production, and
2. the management and actioning of colleague, partner and customer opinion and observation of the Quality offered by the company.
The management and control of both these aspects are seen to be jointly and equally important to the successful development of the businesses. In respect to the quality of product and the preparation required within all processes related to the production, we were guided by the Food Standard Scotland (FSS) audit requirements.

The areas of focus highlighted by FSS are

I. Animal Health and Identification
II. Animal Welfare
III. Hygienic Production
IV. Environmental Hygiene / Good Hygiene Practices
V. HACCP based procedures
VI. Animal By-products
VII. TSE/SRM Controls

The Scottish Island Abattoir Quality Programme was discussed at the Abattoir meeting in Orkney on 28th October 2015 and at the Project Advisory Group meeting on 5th November 2015. At both meetings, representatives welcomed the document and associated procedures and agreed that the programme developed:

- is appropriate to all the facilities
- meets the requirements of the Advisory Group
- allows facilities to use existing quality mechanisms
- is a useful guide and enables continuous improvement.

All involved recognise that the quality programme may develop further and that responsibility for ensuring the programme is up-to-date and fit for purpose will rest with the Association in future.

The Project Team recognised that something that has the potential to be used in other food production facilities may have been developed and has protected the system by securing its ownership for the Association.

Abattoir comments on this element of the project:

“This has been useful as a checklist to ensure that all the appropriate documents and checks are in place. The abattoir has supported the quality programme with local training – recently a one-day training session on HACCP.

The abattoir has decided to retain and continue to use its own diary of checks rather than use the version attached to the quality programme.

The abattoir has a QMS audit coming up and is interested to see how the quality programme supports that process.” (Stornoway)

NB 17/11 – “The audit has now been completed with the best results ever, no observations and a well done on all documentation.” Ian Denny, Abattoir Manager, Stornoway

“We see this as a really positive step forward. It’s too early to say exactly how we will use it fully in the operation, but it’s been enormously helpful as a point of reference and it’s a manageable and practical size.” (Barra)

“Can see this as being a mainstay document that will be of great use. It provides a good platform to ensure quality and excellence, but is too new currently to observe any specific gain. DG appreciates the input from other abattoirs and expert bodies which provides confidence that the QMP will be very useful.” (Islay)

The Project Team was delighted to receive comments from many of the abattoirs that their Veterinary Officers had looked favourable on the Quality Management Programme and considered it to be a useful augmentation to the quality process.

Skills and training support
As outlined above the project’s Phase 1 Report highlighted “…critical in any considerations, was the abattoir’s role in the business and life of the community. The project aimed at improving the recruitment and training opportunities, enhance the understanding within the local and wider community of the role the abattoir currently plays, and the enhanced role it could play going forward.”

The project introduced a range of actions to progress the improvement of recruitment and training opportunities.

Modern Apprenticeships (Slaughter and Butchery) SQA Unit Code H64M 04 SCQF Level 8

The project worked closely with Polaris Learning Limited to develop appropriate training and work experience frameworks and the recruitment of Modern Apprentices for the all the facilities with the exception of Lochmaddy and Stornoway. Stornoway Abattoir is keen to look at employing a Modern Apprentice: however, the issue of the Abattoir being open for only about 6 months of the year prevents them from engaging in the programme. To resolve this issue the Project Team sought and obtained the agreement of Skills Development Scotland to run a ‘Shared Modern Apprenticeship’ with the abattoir working with a local butcher to develop a programme of training and work experience. A local butcher was identified but, unfortunately, circumstances changed and that opportunity did not materialise; however, the abattoir are hopeful that another local butcher willing to participate can be found and recruitment commenced.

The Modern Apprenticeships delivered to abattoirs have followed the appropriate agreed frameworks regulated and funded by Skills Development Scotland.

Quality Management Training

As outlined above the Project Team developed a Quality Development Programme for the abattoirs. The Project Advisory Group also recommended that an appropriate training programme be introduced to ensure that abattoir owners/managers were comfortable with the quality development programme and had the competences to deliver it.

The project team discussed this with Polaris Learning Limited who developed and delivered a training programme to all appropriate abattoir staff.

As the accreditation for this element of the training did not constitute a full Modern Apprenticeship equivalent, it fell outside of the scope of SDS funding and therefore was funded separately by Highlands and Islands Enterprise.

Regulatory Skills

Welfare At Time Of Kill (WATOK) regulations are a major ongoing issue in the industry with a range of EU regulations expected to be introduced. The project team worked with a number of agencies to minimise as far as possible the impact of these regulations on the abattoirs involved in the project. It should be noted that the Island Abattoirs enjoy a close working relationship with their Official Veterinarian (OV) due to the small scale of these facilities, and due to this the OV exercises a high level of supervision, rather than just being in attendance.

School/Education Links

The project has identified the need for the Island Abattoirs to raise awareness of their role within their local communities and to encourage young people to consider the sector as a possible career choice.

There is a range of programmes already in place that encourages business/school links and a number of these are particularly appropriate to the facilities engaged in the project.

Food for Thought – This is a school-led programme to encourage teachers to consider the food and drink sectors as a way of delivering elements of the curriculum. The programme provides an opportunity for young people to see the diverse elements of the sector and to consider career opportunities.
The project has made good progress in looking how the Island abattoirs can participate in the programme and is working with the Barra Abattoir to develop two projects that can be used as exemplar programme.

Tasty Careers – The project has identified this programme as possibly appropriate to some of the facilities. Further information is awaited from Skills Development Scotland. When received this will be distributed to the abattoirs.

Next Steps

Modern Apprenticeship (Business Skills)

The project team are taking a slightly different approach to developing Business/Administration Modern Apprenticeships. With abattoirs being able to capitalise on the local provision of appropriate business skills, the project team sought to engage with Scotland’s Food and Drink Skills Academy (SFDSA).

Abattoir comments on this element of the project:

“Prior to the project the Island had only one qualified slaughter man and, had anything happened to him, the abattoir would have had to cease operating until he was available. The project has allowed the abattoir to recruit and train modern apprentices so that there are enough skilled and qualified staff to ensure that business can continue even at times of staff absence.

It is important that skill levels across the sector are recognised, particularly in small abattoirs where the range of skills required is greater than in larger facilities.

A quote offered to the Prince’s Countryside Fund:

“The project has also helped us look to the future. We were at risk of a large number of the workforce retiring with insufficient numbers of skilled people in our communities to take on roles. We have been able to give validity to the profession and highlight the valuable skills needed for food production.” (Shetland)

“Combined with the capital expenditure permitting a more efficient and effective operating model, the chance to upskill staff to maintain the require functions of the abattoir has also been important to the abattoir’s potential new lease of life.

With a team of trained staff and the appropriate equipment, the abattoir has regained control of the operation and is no longer a ‘hostage to fortune’. The staff training now permits the abattoir to kill and produce on a planned programme to suit the estate’s needs and more importantly to the estate’s customers’ needs.

Prior to this, they had little influence of the type and frequency of any production, but now they have the flexibility to operate to a more viable model.” (Islay)

“We’re very supportive of this strand of the project. Polaris Training is due to come in January. Really keen to see what development can be made with the Modern Apprenticeship and we’re keen in seeing how it might attract staff into the business. It’s too early to say at the moment but it’s provided us with another possible option for managing and operating the business in the future.” (Barra)

Resource Efficiency

During the original scoping exercise, many of the abattoirs had expressed an interest in Waste Management and resource efficiency.

Project partners, SAOS, had previous linkage with Zero Waste Scotland who made a connection with Resource Efficient Scotland, the Scottish Government programme delivered by Zero Waste Scotland has been designed to help the public, private and third sectors reduce costs by implementing resource efficiencies in energy, water, raw materials and waste management.
Resource Efficiency Scotland work directly with organisations on a day to day basis, providing advice and support to businesses, the public sector, local authorities and community groups, and offers free advice and technical support as well as the sharing of best practices and new technologies and have a specific focus in supporting the Food & Drink sector.

The project team met with Resource Efficiency Scotland’s Implementation Advisor based in the Highlands, Daniel Johns, who arranged for each of the abattoirs to be contacted to gauge their interest and potential gain from any RES interventions.

Daniel arranged for a visit by one of their consultant advisors to the abattoirs who had expressed an interest. These advisors provided an overall assessment of each of the units.

The surveys included capturing the current resource consumption at the site by reviewing utilities bills and visual inspection (where possible) of fixtures and equipment.

The report would also then provide detailed and alternative opportunities such as LED lighting, loft insulation over offices, etc.

Significantly too, the survey would look at other resource efficient opportunities from the operational aspect of the business, such as waste disposal, water heating and the usage of water and wastewater.

At the time of the report, four of the seven installations had received such a visit (Stornoway, Shetland, Islay and Mull) with a fifth having a remote capture via telephone (Barra).

**Stornoway**

Stornoway Abattoir operates between September and December, remaining closed for the remainder of the year.

The abattoir is well maintained with mostly modern and efficient refrigeration and processing equipment.

The report recommends installing LED lighting and adding loft insulation in the roof space over the offices. Electricity bill savings from installing these measures is estimated at approximately £400 per year. Savings of 2.0 tonnes of CO2e would be made.

Stornoway Abattoir tries to minimise waste. Current waste disposal costs are high as all waste is disposed of to landfill. Comhairle nan Eilean Siar and the management of the Abattoir are working to try and establish markets for the products that are produced.

The Western Isles Integrated Waste Management Facility at the Creed Enterprise Park, operates an anaerobic digestion plant to treat source-separated bio-waste. The plant has not been able to accept waste due to lice restrictions. We understand that a Category 3 Waste License is being applied for by the facility which may allow waste from the Abattoir to be taken for anaerobic digestion rather than being landfilled.

**Mull**

The main recommendation is to change the fluorescent lighting to LED tubes, which can be done as a project, or just replace the tubes as and when they stop working. The savings from this project are £183 per annum, 0.7tCO2, while costing an estimated £900.

Four further potential projects have been identified. It should be possible to negotiate for the effluent treatment costs to be reduced by allowing for water evaporation from the hot water use. It is possible to install solar hot water generation and also a PV electricity generation. However, these projects have payback periods in excess of 8 years, and a quotation will need to be obtained, as the investment costs may be much higher than indicated. It should also be possible to recover heat from the chiller to heat the hot water.

The potential saving is £1,200 per annum, but this can only be added when a replacement chiller is considered. The total savings from these potential projects is £2,585 per annum and 5tCO2.
Barra

The assessment focuses on an initial feasibility study for a roof-mounted solar PV (photovoltaic) system on one of the shed roofs and the option to install a small wind turbine on the surrounding land.

The solar and wind systems considered here have been sized according to the site's approximate total electricity demands. If both options are being considered, smaller systems should be specified to ensure excess power and unnecessary installation costs are avoided.

Energy efficiency improvements from replacing lighting and measures to reduce water consumption in abattoir cleaning processes have also been recommended, although no data was available on these systems and therefore costs and benefits could not be quantified.

It should be noted that the use of some types of public funding to cover the solar PV or wind turbine investments may affect the organisation's eligibility for the payments under the Feed-in Tariff scheme and this should be considered during any investment decisions.

In summary, the estimated benefits from the proposed solar PV system are energy savings of around 12,760 kWh per year and financial benefits of around £2,165 per year. The wind turbine option considered would provide energy savings of around 10,345 kWh per year, financial benefits of around £2,250 per year.

Shetland

The two main recommendations are:

1. to change the fluorescent lighting to LED tubes, which can be done as a project, or just replace the tubes as and when they stop working;
2. and the heating programmer in the office can be changed so that the heating is off overnight, but warm when staff arrive in the morning. The savings from these projects are likely to be £506 per annum, 2tCO2, at an investment of £1,050.

Two further potential projects have been identified. A 6kW wind turbine could be installed to generate electricity and take advantage of the Feed-in Tariff (FIT). However, finding a suitable location that does not disrupt operations may be challenging and these projects have long payback periods. As the Shetland grid cannot accept any more locally generated power, all the generated power has to be used on site. A quotation will need to be obtained, as the investment costs may be much higher than indicated.

The total savings from these potential projects is £4,698 per annum and 9.9tCO2, requiring an investment in excess of £34,000 dependent on the FIT remaining at its current level.

Islay

Avonvogie Abattoir is a purpose built micro-abattoir facility which opened in 2008. It has a maximum capacity for 6 cattle and 40 sheep, however current use is typically 1 cattle and 5 sheep per week, dropping over the winter months. One of the chills is currently reserved for storage of eviscerated deer carcasses.

Electricity costs were raised as the main area of concern, particularly the refrigeration plant.

The low hours of occupancy and lack of certainty beyond the current grant funding timescale of 4 years makes many options, such as LED lighting and upgraded or replacement refrigeration systems, financially unfeasible. In general, maintaining the existing systems will offer the greatest financial return for Avonvogie Enterprises.

If the hours of occupancy significantly increase, options for upgrading equipment and lighting may be worth considering in the future.

Minimising resource use is clearly a high priority at the site, which appears well designed, run and maintained.
No consultancy visit has been agreed with Orkney abattoir until the discussions regarding the future of the existing facility reaches a conclusion.

Lochmaddy declined to seek a consultant visit.

**Benchmarking process**

The Scottish Island Abattoir Association (SIAA) agreed at their first meeting to develop a collective benchmarking scheme by sharing their cost information for the following:

- The costs of service to kill, cut and pack pigs, sheep, cattle and deer at their facility.
- The sale of hides, 5th quarter and waste.
- The cost of waste disposal via landfill and/or incinerator.

This has enabled the group to compare costs, identify opportunities for collective selling e.g. hides, review their own pricing and reassess charges there are currently facing for waste for example. The benchmarking table is attached as Appendix 5.

**Communications**

**Project Team**

The project has benefited by retaining the same Project Team (see Appendix 1) for the duration of the project. This has allowed the Project Team to gel and to build a strong relationship with each other and with the abattoirs. The Project Team recognised early in the project that the recognition of each other's skills and expertise, clear roles and responsibilities and strong and effective communications would be crucial to the success of the project.

As well as working for different organisations, the Project Team are based in different and dispersed locations across Scotland. In addition to meeting up monthly for face-to-face meetings, the Project Team have fully utilised technology using Skype on a fortnightly basis and often more frequently.

The location of their various bases has also meant that whilst mainly based in the central belt locations offering close contact to Government and national agencies, one of the project team being based in Inverness was also convenient for visiting the abattoirs and also highland or island based agencies.

**Meetings, Visiting other sites, industry knowledge input**

Over the three years of the project the abattoirs have met 6 times in Glasgow (2), Stornoway, Islay, Orkney and Mull. These meetings have provided the abattoirs with an opportunity to be updated on the work of the project team, share and discuss areas of concern and to share current approaches and identify and share good practice.

When meeting take place in Central Scotland (usually Glasgow for ease of travel) the opportunity is taken to include expert-led workshops on current topics appropriate to the sector. Meetings in the abattoirs provide project participants to see other facilities, compare these to their own and to discuss different approaches.

Meetings of the facilities have identified that abattoirs within the project face similar challenges and that some have addressed issues in innovative ways. The project recognises that there is considerable scope for peer mentoring, and has been encouraged by the level of peer group sharing already, so we are keen to develop mechanisms that can identify and share good practice.

Abattoir comments on this element of the project:

“*One of the major high points of the project. In other projects and initiatives face-to-face meetings have been seen as an expensive option and have been replaced by other, often inappropriate, modes of communication. The abattoir meetings have created a real community of interest. Meetings are informative and the opportunities for discussion and sharing of information at and before and after the meetings are invaluable.*”  (Shetland).
“Very useful indeed. The honest and co-operative sharing of information between 7 independent Businesses, all wishing to support kindred operations is praiseworthy. Everybody gets something. Out of the meetings, whether inspiration from scale of business, or learning from others’ successes or failures. It has strengthened our own thoughts and permitted the Abattoir Manager to challenge and check certain aspects such as the incinerator scoping.” (Islay)

“Meeting up with the other Island Abattoirs was really beneficial. Talking through common problems and sharing information that affects us throughout the islands highlighted the importance of such a grouping. The need to secure a future for these smaller island abattoirs really stood out and is of huge importance in small crofting communities.” (Stornoway)

Website, Collective Branding

The Island Abattoir Programme decided early on that additional sources of match funding would be required to take forward aspirations the facilities had around developing their own logo, website and branding materials. The Think Local Community Food Fund (http://www.thinklocalscotland.co.uk/community-food-fund/) was identified as a good source to approach for these funds and £6,000 was successfully applied for in March 2015.

This project required commitment on behalf of the Scottish Island Abattoir Association (SIAA) and the programme team with particular resource from the Secretary of the Association to manage delivery. Think Local provided £4,500 of the funds on initial application and transferred the remaining £1,500 upon submission of a final report which confirmed the committed activities had been delivered. These included:

- Development of a logo and brand (logos are shown at Appendix 6)
- Provision of a promotional website with business to business and business to community function as well as a shared online forum: http://www.scottishislandabattoirs.co.uk/
- Design of individual business cards and design of a promotional leaflet.

Impact of the Project on each Business

The following tables provide information on the number of kills and staffing levels for the period of the project. The final table shows the turnover of each of the businesses over the period of 2014 to 2016. It is recognised that there are a number of factors that support both positive and negative movements on these figures year on year; however, abattoirs have indicated that the Project has made a very significant contribution to improving both throughput and turnover. Where figures are less favourable, abattoirs have indicated that the Project provided support to carry on and improve the situation.

Cumulative Association Kills 2013 – 2016

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<th>2013-14</th>
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<td>Barra</td>
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<tr>
<td>Islay</td>
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<td>Lochmaddy</td>
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Staffing

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<td>Lochmaddy</td>
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</table>
Mull | 3FT | 4FT3PT | 5FT3PT
Orkney | - | 7 | 08-Sep
Shetland | 1FT 3/4PT | 2FT 3/4PT | 2FT 3/4PT
Stornoway | 8FT(part year) | 8FT (part year) | 8FT (part year)

| Turnover |
|-----------|-----------|-----------|
| Abattoir  | 2014/15   | 2015/16   |
| Barra     | £18,000   | £20,000   |
| Islay     | £5,509    | £7,687    |
| Lochmaddy | £18,108   | £19,228   |
| Mull      | £122,215  | £145,000  |
| Orkney    | £166,246  | £189,522  |
| Stornoway | £71,000   | £82,000   |

The figures in the tables above indicate that the abattoirs have experienced steady growth over the period of the project and are now in a better, more secure position than before. The consensus is that the project has made a significant contribution to this situation.

The increase in the numbers of animals processed and turnover highlights the fact that the abattoirs are encouraging more local business and addressing, what they see as, latent demand on the islands. However, whilst their remoteness makes them largely immune to the vagaries of wider markets, it has an adverse impact on elements of their processing such as waste and hides that are largely dependent on global trends.

**Detail and Impact of Capital Expenditure**

**Mull**

The 3 key investments made in Mull by the project were to urgently replace the Refrigeration Chiller unit, the installation of a new band saw and the preparation of a retail/customer sales area within the abattoir’s premises.

The chiller unit was an urgent priority as the existing facility was old and operating at the limit of its maximum capacity, preventing further development. The new chiller allows more carcasses to be stored and allows the business to expand.

The band saw has provided an example of how the project has offered a simple but essential augmentation to the abattoir’s operating model. Its utilisation means that the cutting of carcasses has improved productivity to the extent of one employee day per week.

And with an eye to the future, the building of the sales area provides Mull abattoir with a great springboard to moving beyond sustainability and actively planning to secure sales and business growth.

A previous butcher’s shop in the centre of Tobermory proved to be difficult to operate, due to staffing issues and competition primarily from supermarket pricing. The facility within the abattoir’s premises, will provide an opportunity for customers to buy directly, with little additional staffing or running costs compared to a...
separate, remote location with its own staffing requirement. This unit will sell mainly frozen produce or specific requirements, thus eliminating the level of high wastage level of fresh sales stock experienced by the previous retail unit in Tobermory.

“The bandsaw has literally saved us a full day a week in staff time and has allowed us to reallocate that time to producing more added value cuts and products for customers” (Mull)

Lochmaddy

Prior to any capital expenditure spend, the Advisory group had asked the project to ensure that any spends were necessary, likely to realise an investment into the sustainability and growth of whichever installation and represent both value for money and a well-considered purchase. As mentioned previously, the project employed the services of an Industry Expert Consultant with the knowledge and expertise to fulfil these requirements.

It was during such a visit to the abattoir in Lochmaddy in North Uist that the consultant flagged a significant structural issue that affected the operational integrity of the building. His observations were that the roof was not fully watertight and there were other issues with other parts of the fabric of the building associated with the roof and water ingress.

It was agreed that a major replacement of the roof and repair to these associated issues was urgently required, and this was set as a priority as soon as fair weather permitted.

This was not the only work undertaken in Lochmaddy. A new stunner was installed which has greatly improved the slaughter process, improved animal welfare, made it safer and more time efficient.

There remains an ongoing issue regarding the handling of waste with the current disposal method relying on the owners taking the waste to the local authority waste centre proving to be no more cost effective and indeed a lot less time effective, and discussions continue around what might be the best resolution.

“The new roof has given us confidence to continue for the future operating in a building that is fit for purpose” (Lochmaddy)

Islay

Despite the premises being a comparatively new build, Islay presented some unique challenges particularly in the aspect of waste management.

The fabric, fixtures and fittings of the abattoir were all of a high standard with the marked exception of the incinerator.

When constructed, the abattoir was advised to utilise a second hand incinerator which had been procured. Unfortunately, this incinerator had not sufficiently stood the test of time and ran ineffectively and inefficiently. It was enormously costly to run and the residue, rather than being the expected purely fine ash, contained large chunks of non-disintegrated material.
The local authority provided a temporary period of clemency permitting the abattoir to utilise landfill for removal of its waste until a suitable long term solution could be agreed and established.

The Dunlossit Estate and the project team sought the advice of Alan Kirkwood, the appointed industry consultant, to investigate the various possible options, which included Anaerobic Digestion Units and various types of incinerators.

It is recognised by Scottish Government and other regulatory bodies that incineration is a less favoured option, but after considerable research and consideration, it was deemed that due to the limited levels of throughput and the part time scale of the business, incineration was the best option in these circumstances. The erratic and inconsistent levels of input of waste would have proven counter-productive for other options such as anaerobic digestion.

It was agreed that a more compact incinerator unit would be entirely suitable and this was purchased and installed to great effect. The unit burns at a far more efficient rate consuming less than half of the fuel oil than the previous unit, and reduces the waste, both wet and dry, to a highly acceptable fine residue.

“We were at the point of walking away from the abattoir as it was costing us so much to operate, the new incinerator is so efficient that it runs on half of the fuel to the last – this is a big saving” (Islay)

Orkney

It should be noted that the abattoir premises in Orkney are local authority owned and were designed for a high throughput. During the life of the project the abattoir the local authority has been undertaking a review of the premises. This has led to capital expenditure being limited to movable assets.

In the early stages of the project, the Orkney abattoir was unique in that they were the only abattoir actually managing a positive financial contribution from their waste. They had markets for their Category 3 waste as well as their skins and hides, and although this did involve some additional effort, planning and work, a small margin was being made on their waste.

The current situation on the global value of waste means this is now a significant cost to Orkney and other abattoirs. However during the lifespan of the project, the return on the waste has fallen due to a less attractive price and greater handling costs.

To assist the efficiency in this, the project has researched the possibility of providing waste bins in order that there was sufficient stock of bins to enable the processing, freezing and distribution of the waste appropriately.

In addition, although the equipment in the abattoir was generally to a high standard, it was observed during the review, that the splitting saw was not operating correctly and was presenting an operational issue, which the abattoir operators were concerned as this could have developed into a potential Health and safety issue.

However, in discussions with the abattoir management team it was also emerged that the splitting saw was not effective when utilised in the preparation of the North Ronaldsay sheep carcasses, which was a developing market that they were keen to support.

Following technical advice, the project provided a new splitting saw that achieved better operational features which enabled improved standard usage, but also lent itself well to coping with the smaller North Ronaldsay carcasses.
“The new saw has allowed us to process these older carcasses from the North Ronaldsay breed to a higher standard than before and in much less time”

At the time of concluding the report, there was no clear vision as to whether the existing building should be retained and developed, or whether a new, smaller unit should be built, more in scale to the current levels of business throughput.

The uncertainty surrounding the future of the premises now hampers the SIAP in concluding its capital expenditure commitments as it would be foolhardy to invest in premises that may be deemed to be no longer required.

Shetland

The Shetland unit is a comparatively new build, designed by the same architects as the Islay building. However, the management team in Shetland had identified that an adaptation of the process flow within the building would offer a more efficient operation, both ergonomically and practically.

In discussion with the technical advisor and the management team, the project supplied and installed the equipment as per the revised process flow which included a minor refit and equipment augmentation.

Two of the cutting and preparation rooms were swapped and new hoists and handling equipment were installed to the revised pattern. This has had a double benefit. Not only is the production flow process much more convenient and ergonomic, but this has greatly improved the health and safety aspect, particularly with the addition of the hoists and lifting equipment.

The additional improvement to the cutting room has also enhanced the opportunity for the abattoir management to further develop an expanded market opportunity in added value processing.

Barra

The Barra facility is a long established abattoir, and well maintained by the Macleans, and although the building was obviously fit for purpose, certain aspects of the significant maintenance has grown to a level that presented a level of investment that was difficult to factor both in time and cost outlay.

In discussion with owners it was agreed that substantial improvements would greatly enhance the flow and processing capacity by remodelling the facility and upgrading the plumbing and electrics. These changes allow for the development of a customer service area which will allow an additional aspect to the abattoirs sales offer, whilst providing the community with a recognised butchery outlet.

“Refreshing our facility has given us the confidence to continue, and look to the next generation. The operation of the plant is now much easier and we have never been as busy in processing lamb” (Barra)

Stornoway

Similar to Orkney this local authority owned facility is subject annual review and budgetary pressures as a result it was agreed that no improvements would be undertaken within this project. Greater clarity regarding independent support provision for a public asset would need to be established in general,
and in specific to the unit in Stornoway. However, the management team in the abattoir continue to be fully supportive of the project and accept the conditions surrounding the decision.

Potential Next Steps

The economic sustainability of the seven island slaughterhouses has been significantly improved. This has provided a service to the community and improved the social capital of these communities. The networking of the facilities has allowed a stronger support network to remain in place for them. An economically sustainable business plan has been developed for each of the seven island slaughterhouses, removing them from their current vulnerable position. The continuation of this service on the islands will continue to provide sustainable alternative route to market for farmers and will allow them to add value and set the price for their products. The continuation of the facilities will provide a service to the remote island communities and improve their social capital. The networking of the facilities will allow a stronger support network to remain in place to secure their futures.

Capital investment will support processes that will reduce the environmental impact and skills development approaches will ensure that skills are in place to continue and develop operations in the future.

The activities have contributed to supporting traceable, authentically produced foodstuffs; enhancing the reputation of the British Meat Industry, while opening up markets for the islands.

The Project Team (and Project Advisory Group) firmly believes that the project has worked towards making a major contribution to ensuring that, as far as possible, Scotland’s Island Abattoirs recognise and are in line with the Scottish Government’s view:

“Everyone will know what constitutes good food and why. All players in Scottish life – from schools to hospitals, retailers, restaurants and food manufacturers will be committed to serving such food. Its ready availability will have contributed to improvements in children’s wellbeing and hence outcomes. Scottish suppliers will have developed their offering so that local increasingly equals fresh, healthy and environmentally sound. The most intractable dietary-related diseases will have begun to decline as will the environmental impact locally and world-wide of food consumption. The food industry will be a thriving well-known feature of local and national economies, with each part of Scotland rightly proud of its culinary heritage, past and present.” (Recipe for Success: Scotland’s National Food & Drink Policy - Becoming a Good Food Nation)

The Project has addressed a number of the points made in the above statement:

I. Development of a Quality Development Programme ensures that standards and legislation are understood and that Abattoir staff have a clear framework for meeting requirements.

II. Skills development has not only increased the competence of workers in the abattoirs, it has raised awareness within the communities involve of the career opportunities that exist within the sector.

III. Direct involvement with schools through programmes such as Food for Thought and Tasty Careers has raised awareness of the sector to young people.

IV. Capital investment has better prepared abattoirs for the future, supporting and, in some cases making processes more time and cost effective.

However, we believe there is still much that can and should be done to ensure that the achievements of Scottish Island Abattoir Project and other similar projects form a foundation to ensure that the statement above becomes a reality. For this to happen, we believe requires a number of activities to be undertaken to ensure that land based food is fully understood and appreciated by the public sector and the general public.

A good starting point would be an understanding and quantification of:

- The added value to local communities from the production and processing of locally produced foods.
- Opportunities for small producers/processors to grow – locally and nationally
During the lifespan of the project, we have captured some very positive suggestions for taking these local businesses forward.

These include holding Open Days to raise awareness to local producers and members of the general community of how well run and scrupulously well managed abattoirs need to be. It will identify the added value of knowing the product’s provenance, the quality and care exercised in the production of the meat, and the observance of all necessary food safety, product quality and ethical practices required of a registered abattoir. In a similar vein, some abattoirs are actively hosting industry awareness visits to schools and business groups to reaffirm the skills and employment potential within the industry.

Some of the abattoirs have taken this to a level of demonstrating the yield and quality from a carcass professionally butchered in the abattoir, versus that of a home kill. However in addition to the improved yield and professional quality, we must also again consider the exceptional welfare and husbandry of the animal, rather than the informal, unregulated manner of a home kill.

In these modern times, the end user expects more. A higher degree of preparation and flexibility is required. The way meat is prepared and cooked in the kitchen differs greatly from that of even ten to twenty years ago. A recognition of the trend towards more convenient cooking, more exotic, more easily prepared or adventurous meals whilst always with an eye on value for money.

The abattoirs realise that cut for cut they are unable to compete with the supermarket alternatives, but they do provide an excellent service, providing locally slaughtered meat, which actually offers excellent value for money.

They all agree that the need to continue to educate and inform their communities of the excellence of the product needs to be ongoing. And when aligned with similar food and drink specialist and locally produced product such as whiskies, gins and ales, craft cheeses, oils, dairy and bakery products, a wide variety of seafoods can prove to be lucratively enticing to new and emerging markets both near to home and beyond.

Add to this the opportunity to support the local Tourism offer. The enhancement of the visitor experience by enjoying locally sourced, high quality meat products, for their consumption during their holiday and subsequently, dependent upon availability in the same way as whisky and other products are enjoyed after visiting the holiday location.

The Association will seek funding for a further 3 year pilot project as outlined below.

Scottish Island Abattoir Association Growth Plan

“Taking our unique products to new markets”

“The islands of Scotland form the Atlantic fringe to our nation. Naturally challenged, but naturally gifted each island speaks with its own character. Home to a range of cultures of historic perspective each sea-bound community produces its own foods. Far-off places of clean airs and native breeds, these isles offer visitors and customers experiences from a new horizon.”

Ronnie Eunson, Chair, Scottish Island Abattoir Association.

At present most of the island meat does not leave the islands and never reaches new markets. The Scottish Island Abattoir Association is now keen to take the next step in growing their businesses by securing a stronger market for their produce both on and off the islands.

Having worked together over the last three years the Scottish Island Abattoir Association is now ambitious to find new markets for its Members’ products. The Association is working to secure a three year project that will explore, establish and pilot mechanisms that will take their unique products to new and expanding markets.
The proposed project will build on the strong foundations establish by the Scottish Island Abattoir Project that has improved the sustainability of the seven Scottish Island abattoirs and the establishment of the Association. This new project will be managed by the Association with support from the team that delivered the Scottish Island Abattoir Project and overseen by an Advisory Group, similar in structure to the Group that supported the previous project.

However, the implications from the EU referendum could be severe for farming communities particularly on the islands as it is forecast that direct support payments to farmers will fall or possibly disappear.

The retention and improvement of abattoir and processing facilities on the islands is therefore all the more important to ensure that farmers in these fragile communities can achieve a greater market return.

The project will establish four broad and inter-related phases as below:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Activity</th>
<th>Outcomes</th>
</tr>
</thead>
</table>
| 1 Market Feasibility | Association to commission expertise to assess the demand for speciality meats from the islands; the abattoirs’ capacity and capability to deliver identified products (including primary production assessment); the logistics of getting identified products to market. | • Identification of demand.  
• Identification of those abattoirs with the capacity and capability to be involved.  
• The requirements of those abattoirs who cannot be involved and how they might work towards full involvement.  
• The logistical requirements to allow delivery.  
• Assessment of public sector role in supporting carcass balance  
• A definition of the product characteristic being sought by the market. The credible image of tradition and environment.  
• A draft business plan and cash flow forecast. |
| 2 Enabling Activity | Capital investments and skills development required to deliver the product(s) identified in Phase 1. Enabling the abattoirs to meet necessary requirements including how to achieve; necessary SALSA quality accreditation, the correct branding, marketing packaging, sales materials, ordering system and CRM toolkit. | • Capital and skills issues addressed.  
• Appropriate accreditation achieved.  
• All appropriate systems, procedures and sales materials in place. |
| 3 Pilot Entry to New Market(s) | The project will use its wide network to secure the RIGHT relationship(s) to enter a new market for a trial period. The Association will manage all PR activity including showcasing. | • A clear indication of time to sales period and the cost and logistical implications.  
• Strong data on ROI.  
• The development of a robust and comprehensive Business Plan bases on the pilot period. |
|---|---|---|
| 4 Communications and Management | This Phase will run throughout the project and will be integral to Phases 1 to 3. Through its administrative team, the Association will manage all aspects of the delivery of the project. | • Strong management of the project including: tendering/contracts,  
• Managing experts, compiling reports, budget management.  
• Partnership management, meeting coordination,  
• Advisory Group support & facilitation, etc. |
**Timescales and Costing**

It is anticipated that the overall timescale for the completion of the proposed project will be thirty-six (36) months with Phase 1 taking eight (8) months, Phase 2 sixteen (16) months and Phase 3 twelve (12) months. As indicated in the project outline and graphic, Phase 4 (Management and Communication) will be ongoing throughout Phases 1 to 3.

A full and detailed proposal with costings is currently being drafted. It is anticipated that costs will be in the region of £300,000 over the three (3) years of the project.
Agency interaction and support

Throughout the project the Project Team have met with a wide range of organisations and agencies to make them aware of the project, seek their involvement and support where appropriate. The Project Team would like to thank the following organisations and agencies:

Core Funders

Prince’s Countryside Fund
Scottish Government

Additional Funders

Community Food Fund
Highlands and Islands Enterprise

Advisory Group

Business in the Community Scotland
Food Standards Scotland
Highland and Islands Enterprise
National Farmer Union for Scotland
North Highland Initiative
Prince’s Countryside Fund
Quality Meat Scotland
Scotland Food and Drink
Scottish Agricultural Organisation Society
Scottish Association of Meat Wholesalers
Scottish Government

Other Agencies/Organisations – we are grateful for the various types of support and engagement from a number of agencies including:

Bank of Scotland
Clydesdale Bank
Comhairle nan Eilean Siar (Western Isles Council)
Dunlissit Estates, Islay
European Connections (Inverness)
Falkland Islands Development Corporation
Offices of HRH The Duke of Rothesay
Orkney Island Council
Polaris Learning Limited
PricewaterhouseCoopers
Resource Efficient Scotland
Scotland Food & Drink Skills Academy
Scotland’s Rural College – Edinburgh and Inverness
Scottish Qualifications Authority
Skills Development Scotland
Soil Association
University of the Highlands and Islands
Zero Waste Scotland
### Project Team Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fergus Younger</td>
<td>Scottish Agricultural Organisation Society</td>
</tr>
<tr>
<td>Emma Paterson Taylor</td>
<td>Scottish Agricultural Organisation Society</td>
</tr>
<tr>
<td>David Stewart</td>
<td>dbs projects</td>
</tr>
<tr>
<td>Bob Christie</td>
<td>Initially Scottish Business in the Community latterly dbs projects</td>
</tr>
</tbody>
</table>
Appendix 2

Project Advisory Group

Group Members:

Ian Anderson, Scottish Association of Meat Wholesalers
Martin Morgan, Scottish Government
Heather Curran, Scottish Government
Hugh Donaldson, Highland and Islands Enterprise
Ian McWatt, Food Standards Scotland
Elena Gafenco, Food Standards Scotland
Claire Saunders, Prince’s Countryside Fund
Uel Morton/Johnny Mackey, Quality Meat Scotland
John Sleigh, National Farmer Union for Scotland
James Withers, Scotland Food and Drink
David Whiteford, North Highland Initiative
Jane Wood, Business in the Community Scotland
Scottish Island Abattoir Programme – Advisory Board
Terms of Reference

The Scottish Island Abattoir Programme is a three year project that seeks to improve the sustainability of the seven island facilities. The programme is a partnership project between the Scottish Agricultural Organisation Society and Scottish Business in the Community which has secured key funding from the Princes Countryside Fund and the Scottish Government.

The programme will follow a staged approach outlined below to initially deliver business planning and mentoring support. Together with funding for capital projects, marketing initiatives and training support.

1. Primary Business Scoping Analysis
2. Business Strategy Planning
3. Prioritisation of Economic Sustainable needs
4. Evaluation and spend of capital improvements. SAOS will facilitate a Board to evaluate the proposed areas of spend.
5. Marketing activity for facilities and associated initiatives.
6. Partners and businesses, including those in the supply chain, to support sustainable development will be identified and actions identified.
7. Develop the business case for supporting smaller scale abattoirs.

On the 31st October 2013 the initial meeting of the Advisory Board for the Scottish Island Abattoir programme was held. The following two key functions for this board were agreed:

- To ensure the proposals which are brought to the Board are sensible and viable.
- To use the expertise on the board to operate a joined up approach in looking for overall solutions. The broad membership of the Board should ensure that knowledge and experience from the different organisations can be used to achieve this.

Individual Members are asked to:

1. Commit to attend meetings. Where members cannot attend they should arrange for an appropriate representative from their organisation to deputise. Next meetings dates will be agreed at each meeting providing a minimum of four months' notice for each meeting.
2. Be available to support key project activities and events.
3. Serve on the Group for three years.
SCOTTISH ISLAND ABATTOIR PROGRAMME
Capital Expenditure Procedure
Status Update 19th May 2015

<table>
<thead>
<tr>
<th>Checklist</th>
<th>Area</th>
<th>Action Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FSS (FSA) Audits of Abattoirs</td>
<td>All audits have been checked to ensure compatibility with proposed spend areas.</td>
</tr>
<tr>
<td></td>
<td>Check that areas highlighted within audits are compatible and complimentary to the proposed spend areas.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Quality Management Planning</td>
<td>None of the existing facilities held a quality management plan. The Orkney meeting of the SIAA has a training session on quality management.</td>
</tr>
<tr>
<td></td>
<td>To ensure that this programme is only supporting areas where quality is being driven up and improved. Each facility is to have a quality management plan in place and each operator to understand how to implement the plan as a condition of receiving capital funding.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Independent Abattoir Expertise</td>
<td>Alan Kirkwood Completed an independent report recommending spend areas.</td>
</tr>
<tr>
<td></td>
<td>The programme has taken on Alan Kirkwood to check the appropriateness and best value of the capital spend areas. His particular role is to make sure that the best solutions are found for each facility.</td>
<td></td>
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<tr>
<td>4</td>
<td>3 Quotations</td>
<td>Quotes received where funding awarded. On occasions it has not been possible to secure 3 quotes where there are limited contractors available.</td>
</tr>
<tr>
<td></td>
<td>It is the responsibility of each abattoir to secure 3 quotations for the work to be carried out or equipment supplied. Where this is difficult we can call on Alan Kirkwood to use his expertise. Payment will not be made without 3 quotes.</td>
<td></td>
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<tr>
<td>5</td>
<td>Operational Diligence</td>
<td>SAOS have developed a procedure to follow, and then make claims back to the PCF.</td>
</tr>
<tr>
<td></td>
<td>To ensure that a robust procedure is followed through SAOS to administer funding.</td>
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<tr>
<td>6</td>
<td>Funding Conflicts</td>
<td>SAOS have undertaken the State Aid test, the programme has no conflicts.</td>
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<tr>
<td></td>
<td>Check whether the programme will come into State Aid regulations.</td>
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</table>
## Appendix 4

### 1. Capital Expenditure Overview and Timeline

<table>
<thead>
<tr>
<th>Abattoir</th>
<th>July 15</th>
<th>Sept 15</th>
<th>Oct 15</th>
<th>Nov 15</th>
<th>February 16</th>
<th>March 16</th>
<th>April 16</th>
<th>May 16</th>
<th>July 16</th>
<th>Aug 16</th>
<th>Sept 16</th>
<th>Total Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mull</td>
<td>Chiller Unit £5500.00</td>
<td>Band saw £3995.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Groundwork £4989.00</td>
<td>Container £2920.00</td>
<td>£17404.00</td>
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<tr>
<td>Lochmaddy</td>
<td>Pig Stunner £4064.00</td>
<td></td>
<td></td>
<td></td>
<td>Roof repair £16413.60</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>£20477.00</td>
<td></td>
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<tr>
<td>Islay</td>
<td></td>
<td>Incinerator £15000.00</td>
<td></td>
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<td></td>
<td></td>
<td>£15000.00</td>
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<tr>
<td>Orkney</td>
<td>Splitting Saw £1890</td>
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<td></td>
<td></td>
<td>(SeaPlast containers £12000.00)</td>
<td></td>
<td>£14000.00</td>
<td></td>
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<tr>
<td>Shetland</td>
<td>Hoists £4372.10</td>
<td>Hoists fitting £2136.95</td>
<td></td>
<td></td>
<td>Refit cutting room £11792.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>£18302.00</td>
<td></td>
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<tr>
<td>Barra</td>
<td>Plumbing first stage £2125.00</td>
<td>Plumbing and refit £3583.00</td>
<td></td>
<td></td>
<td>Electrical £759.00</td>
<td>Refit Slaughter Room £12447.00</td>
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<td>£18914.00</td>
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<td>Total</td>
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<td></td>
<td></td>
<td>£104097.00</td>
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<tr>
<td>Cost of Service – Kill, cut and pack</td>
<td>SHETLAND</td>
<td>ORKNEY</td>
<td>MULL</td>
<td>BARRA</td>
<td>LOCHMADDY</td>
<td>STORNOWAY</td>
<td>ISLAY</td>
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<td>SHEEP</td>
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<tr>
<td>Ewe</td>
<td>£10.50 to £15.00</td>
<td>£18.81 inc levy</td>
<td>Kill £20</td>
<td>Butcher £25</td>
<td>85p/kg over 25kg sheep</td>
<td>Hanging £1.75pw</td>
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<tr>
<td>Hogget</td>
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<td>N Ron Lamb - £21.96 inc levy</td>
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<td>Lamb</td>
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<tr>
<td>CATTLE</td>
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<tr>
<td>Young</td>
<td>£140.00</td>
<td>£132.60 inc levy</td>
<td>Kill U30m £90 O30m £105</td>
<td>Butcher £1.20/kg</td>
<td>Product £3/kg</td>
<td>Hanging £10.50 per week</td>
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<tr>
<td>OTM</td>
<td>£170.00</td>
<td>£174.60 inc levy</td>
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<td>Horned</td>
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<td>PIGS</td>
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<tr>
<td>Weaner</td>
<td>£45 to £100</td>
<td>£44.11 inc levy</td>
<td>Over 100kg Kill £62</td>
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<tr>
<td>Sow</td>
<td></td>
<td>£73.26 inc levy</td>
<td>Under 100kg Kill £48</td>
<td>Under 80kg Kill £33</td>
<td>Cut £0.80/kg</td>
<td>Product £3/kg</td>
<td>Hanging £4pw</td>
<td>Card £15 skinning charge</td>
<td>£1/kg butchery</td>
<td>£3/kg product</td>
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**Appendix 5**

Benchmarking Table
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Appendix 6

Association and Abattoir Logos
MARKET FEASIBILITY
- Demand Audit
- Local, close to local, public, National, high end.
- Product types
- CCR
- Competition
- Capability & Capacity
- People, enthusiasm & commitment
- Accreditation
- Premises & technical
- Logistics
- Individual & collective
- Supply chain
- Governance & trading
- Business Plan & cash flow

ENABLING ACTIVITY
- Cap-Ex improvements
- Skills development/competence
- SALSA/QM Programme
- CRM Toolkit
- Branding/Marketing/Packaging
- Sales materials
- Ordering system

PILOT ENTRY TO NEW MARKET(S)
- Establish product(s)
- Secure relationship(s)
- PR activity/Showcase
- Time period → Sales
- ROI/Business Plan

MANAGEMENT & COMMUNICATIONS
- Tendering/Contracts
- Manage experts
- Compile reports
- Budget management
- Partnership management
- Meeting coordination
- Advisory Group support & facilitation

MARKET DRIVEN GROWTH