

Worcestershire Regulatory Services Board

16th November 2017

Information Report for Members on the Worcestershire Food and Drink Association

Recommendation	That the Board notes the report.
Background	In 2012 The Worcestershire Local Enterprise Partnership's (WLEP) Strategic Economic Plan (SEP) to Government set out its ambitions for business growth and job creation in the County. In particular, the WLEP identified the Agri-Food, Agri Tech, Horticulture and Forestry Sector as a top priority for accelerated growth. The SEP requested that WLEP, local and national regulators worked in partnership to address regulatory barriers to growth and develop innovative solutions for a national Agri-Food Sector Exemplar Pilot with potential national roll-out across England.
Contribution to Priorities	Sustainability, Economic Growth, inward investment for the Agri-Food sector within Worcestershire.
Introduction	<p>WLEP and WRS formed a strategic partnership through its Joint Regulators and Business Charter Action Plan in 2013. The partnership is a pioneering and an established national champion of Regulatory Delivery's (RD, part of the BEIS department) "Better Business for All" (BBfA) Programme.</p> <p>This paper will provide Members with a picture of the process WRS have been through to date in order to establish the Worcestershire Food and Drink Association (WF&DA).</p>
Report	<p>Phase 1</p> <p>The original project aimed to develop one simplified Earned Recognition Core Standard Scheme across the Agri-Food/Agri-Tech Sector as an alternative to multiple existing accreditation schemes. There was an argument that such schemes and regulatory compliance work duplicate each other, placing onerous burdens on SMEs and stunting business growth. Worcestershire's USP (Unique Selling Prospect) was to include a variable element promoting local</p>

sourcing and geographical status/advantage. In the proposed national scheme this meant offering regulatory consistency but with variations to suit different locations.

RD expressed support in principle but did not consider match funding the project. The BBfA partnership (at the time mainly WRS and WLEP,) decided to proceed with a sector-focused project to be shaped by an evidence-based study.

It took a while to get off the ground but in 2015, a two-phased qualitative and quantitative **study was commissioned from the Royal Agriculture University (RAU) in Pershore** to explore regulatory issues and identify barriers to growth in the sector, as well as the potential for instigating one combined Accreditation/Compliance Scheme that met the combined needs of major supermarkets, retailers and regulators at local and national level, which would enable SME Earned Recognition in future and reduce burdens.

The study allowed WRS to research and understand what the perceptions of the food and drink sector are and what support (if any) they needed. This financial investment and time spent reviewing the output has allowed WRS and partners to understand the wider business need in this sector and then put together a support offer that SME's would find difficult to refuse.

The Study did not provide conclusive evidence of business's desire a universal standard that was acceptable to the wide plethora of bodies previously mentioned (from the supermarkets through to the regulators.) WRS concluded from the results that what they really needed was a one-stop shop for a number of different issues. The findings and practical recommendations from the RAU are summarised in Appendix 1.

Phase 2

As a consequence of the study's findings, the project took a different direction. Local food manufacturers and food processing businesses stated that the kind of universal standard we have envisaged would not provide any further kudos or advantage to them in getting more business or help them to create efficiencies. However, the study highlighted the need for WRS to work in collaboration with businesses to understand their needs and requirements.

WRS devised an innovative and collaborative approach to engaging with the local agri-food sector including food producers, growers and manufacturers. At the heart of this was developing a constructive working partnership with colleagues at Worcestershire Business Central, Worcestershire County Council and people known to be local Business Champions, which would help us to target the work. WRS provided support and practical advice through a number of breakfast meetings in order to gain an

in depth knowledge and understanding of the challenges businesses have to face from start up to those wishing to expand and grow.

These consultations have resulted in the impending formation of the **Worcestershire Food and Drink Association (WF&DA)**. Further business sector focus group consultations held in 2016/2017 to generate ideas about how to provide support gave an enthusiastic response to the prospect of developing the profile of and recognition for Food and Drink produced in Worcestershire, particularly in heightening the appeal of products derived from ingredients with local provenance. There is a strong consensus from food producers, growers and food manufacturers that this kind of platform where they could come together in one place to share ideas, expertise and engage with the wider SME sector was what they wanted, as well as it having the potential to raise the profile of Worcestershire food produce across the UK and internationally. Ultimately, this would offer new business opportunities to the sector in Worcestershire. This positive response appears to confirm that our shift of project emphasis is welcome and, if the membership association is the success that we hope, there remains the option for the development of a standard accreditation scheme that might support getting business from bigger businesses and satisfy regulators that businesses have earned the right to lower intervention rates.

The WF&DA Project itself aims to:

- a) Enable SME food growers, producers/manufacturers and suppliers to gain access to wider markets both in UK and overseas
- b) Stimulate growth in priority Agri-Food/Agri-Tech sector in Worcestershire demonstrating positive regulatory support
- c) Pioneer innovative solutions in Worcestershire, making the scheme a leader in this sector and enabling us to share expertise with other food and drink membership driven organisations.
- d) Work in partnership and collaborate with other organisations that have the same focus and underpinning aims and objectives.

In addition the WF&DA Project will contribute to the overarching BBfA agenda and links in with the other economic growth areas that are on the BEIS, WLEP and Regulatory Delivery agenda including:

- 1. Export support and growth
- 2. Inward Investment, Business Advice
- 3. Primary Authority development

The WF&DA Project has maintained the momentum inspired by the initial positive response from business and activities to date working towards formal formation include:

- Continuing SME business consultations which is generating a waiting list of businesses wanting to join the new WF&DA
- Commissioning of the WF&DA website from a Worcester business that works with Worcestershire Ambassadors and is a representative on the Worcester BID Board.
- Promotion at the “find it in Worcestershire” event (June 2017) with two more focus groups (mainly for SME independent catering) being arranged for January 2018
- Recruiting business leaders to form the WF&DA Steering Group (October 2017)
- Working with Visit Worcestershire to promote key sector businesses on their website
- Joint work with Cotswold Taste and Hale Events, who have organised a new trade Food Show at Three Counties Agricultural Society, with a view to increasing what they offer the trade at their May 2018 event.
- Promotion via businesses at Worcester Foodie Festival and Droitwich Food Festival (August 2017)
- Promotion across all District Councils to ensure co-ordinated support and recognition
- Establishing the appropriate vehicle and underpinning structure to enable WF&DA to be a self funding and member driven organisation i.e. establishing a sustainable, stand-alone structure with appropriate corporate governance arrangements, sponsorship and funding opportunities for the long term whilst allowing for the continuance of a close working relationship with regulators

This last point is very important as we recognise that, whilst we in the public sector have helped to identify the need and support the development of the project to this stage, its ultimate success has to be as a private body supported by the businesses who have ownership of the idea and are members of the body that has developed from it.

Phase 3 will now look to engage with the catering sector to understand their needs and requirements in order to design a category of membership and offer that will meet their needs and encourage their membership of the organisation.

Sustainability

There are clear and tangible benefits to WRS for the sustainability of WF&DA. Businesses will find they are

growing in confidence in complying with regulations and reducing unnecessary business costs and reaping business growth dividends. WRS as the regulator will have improved service co-ordination and efficiency; working pro-actively with businesses and be recognised as a key part of the business support packages available via WF&D.

Working together, WRS and WF&DA can show how the improved business-regulator relationship will enhance compliance, mutual trust and confidence and will inevitably help Worcestershire attract more business and inward investment.

Financial Implications

The work to this point has been grant funded by the WLEP so there are no financial implications for partners. In future funding for WF&DA will be based on membership contributions and grants secured for activities so it will not present a financial burden to partners.

Contact Point

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Background Papers

Appendix 1: Findings/Recommendations – Food and Drink Study (RAU, 2016)

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Findings/Recommendations- Food and Drink Study (RAU, 2016)

8.2. Local stakeholder views on alternative mechanisms of support

Local stakeholders were asked what they felt would be of value to them in terms of a “safe and legal” standard and if they had further comments on support mechanisms and this gave rise to four themes. .

These are now discussed in turn with some of the headline points that were raised that are worthy of further consideration.

Ease of understanding and implementation

Simple and cost effective – whatever systems are developed must be easy and straight forward, common sense and definitely reduce time and paper work. Suggestions were that instead of a standard to have an online system such as the Government Gateway System or a “pack” available that signposts to information and supports businesses.

The lack of information and being able to access advice and product testing was another point that was raised that was limiting micro and small business expansion and development. An intervention to allow businesses to access this information was said to be of value.

Specificity and scope

What is local in Worcestershire? A theme that came out from the interviews was the ability to draw a distinction on what is local actually is. It has been highlighted already in this summary that the proportion of Worcestershire grown food being used in these businesses as ingredients is low. Therefore it is important to clarify the aim for building a profile for food producers in Worcestershire. The model for the WLEP to consider is whether it is an economically derived model where employment and GDP are important irrespective of where the food materials actually originate or a socially derived model where local producers using locally sourced ingredients is what is deemed as being local in Worcestershire, or a combination of the two. For the food economy being developed in Worcestershire this is a very important consideration as it underpins the brand of “Worcestershire food” and also what is perceived in Worcestershire as being “local food”. It will also contribute to defining the context of what the derived value is, both economically and/or socially, of local food production to Worcestershire.

Delivery must not burden council tax payers in Worcestershire, should be promoting local services, provide continual support and provide access to expertise. The delivery also needs to advise business on current issues, sharing of common practice and allow businesses to learn from each other. Another standard was not felt to necessarily be the best way to do this.

Scheme perceptions and deriving value

This theme covered concerns such as a multitude of different standards which are often confusing, trying to determine what value another system standard would have, how the standard would be marketed and how participation would be incentivised.

Public recognition is crucial of any schemes that are adopted and the name must be focused on the need to market the standard to the public.

Value would be derived most by smaller businesses that cannot invest in technical expertise within their workforce.

8.3. Summary

The study that underpins this report has consulted stakeholders for their views on whether an accreditation scheme would be of value to them in terms of demonstration compliance with regulatory requirements and with market opportunities. The response from local stakeholders was that whilst a “safe and legal” standard was of interest, they needed to know much more about what a standard would look like, how it would be implemented and the costs at business level with implementing and maintaining certification. An alternative on-line format was also identified by stakeholders as a means to support them in delivering safe and legally compliant food to their customers.

This study also highlights that what is considered as “food from Worcestershire” is varied and diverse and that many of the businesses are assembling/packing their products within the locality of Worcestershire, with ingredients and raw materials from far afield. Therefore it is recommended that before any initiatives are developed to promote food from Worcestershire within the county, nationally and internationally, consideration is given to scoping the extrinsic and social criteria that define and describe Worcestershire’s food economy.