



Local Food Links: The first 10 years

What we have done and what we have learned about adding value to local produce through catering



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What we have done and what we have learned about adding value to local produce through catering: A case study

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1. Introduction

This report is one of a series that analyses opportunities for improving the sustainability and economic viability of food supply chains serving smaller and community-based food enterprises. It has been commissioned by the Food Distribution & Supply strand of the Big Lottery funded Making Local Food Work (MLFW) programme,¹ which aims to reconnect people and land through local food; increasing access to fresh, healthy and local food with clear, traceable origins. The strand of work coordinated by Sustain takes a particular interest in food hubs and other ways of consolidating supply to achieve efficiencies of scale and profitability, and hence create a more resilient market for local and sustainable food.

Local Food Links Ltd is a Dorset-based social enterprise which runs a specialist workspace, the Centre for Local Food, provides vocational training and community education, and provides user-led catering services in partnership with 23 schools and a range of older people's organisations. At time of writing, over 1,000 meals a day are produced (200,000 a year for schools) and turnover exceeds £500,000 per annum.

This case study of Local Food Links aims to provide information on the development of Local Food Links since its inception in 1999, and in particular how it has developed during the period of funding from the Making Local Food Work programme (2007 to 2010). The case study is part of Sustain's learning from the Food Distribution and Supply strand, and it is hoped that this can support people who might be thinking of undertaking similar initiatives. The case study aims to provide sufficient information to explain how Local Food Links has developed and what were the key issues and successes. Local Food Links was funded as part of the Food Supply & Distribution strand to develop an example of a "sustainable food hub". The case study will show how Local Food Links has developed the Bridport Centre for Local Food as a community enterprise food hub, with a particular emphasis on adding value to local produce through catering. This contrasts with a number of other food hubs which have concentrated on a wholesaling or retail model.

The case study will attempt to show that to increase resilience and long term sustainability, two key things are important:

- ❖ The need to diversify operations, in order to create a social enterprise which is more capable of dealing with external shocks and variations in the economic and policy cycle;
- ❖ The need to underpin "front-line" social enterprise activity with secondary structures such as workspaces, ICT systems, channels of social investment finance etc.

2. Background

a) West Dorset Food & Land Trust and establishing Local Food Links

Local Food Links Ltd was established in 1999 by West Dorset Food and Land Trust (a registered charity and local community organisation) as a trading subsidiary to run Farmers'

¹ See the Making Local Food Work website at: www.makinglocalfoodwork.co.uk/

Markets, operate a café and manage book sales. The two organisations have developed a range of innovative and practical initiatives over the last 10 years:

- ❖ Dorset's first **Farmers' Markets** in Bridport and Poundbury, Dorchester - within two years, 70 different producers had attended.
- ❖ The first **Dorset Local Food Directory** and the first **Dorset Food Week**.
- ❖ A Local Food Links **Producer Network**, offering training and business support to 65 producers, in conjunction with Kingston Maurward College.
- ❖ A county-wide organisation – **Dorset Food Links** – to provide strategic co-ordination for the sector and jointly manage 12 Farmers' Markets across Dorset. The Trust also helped set up the **South West Local Food Partnership** and the national body, Food Links UK.
- ❖ The **Grow it, Cook it, Eat it** programme, established with Health-Works, Dorset's health promotion agency, and subsequently a new organisation, **Dorset Food and Health Trust**.
- ❖ **Wessex Reinvestment Trust**, a Community Development Finance Initiative (CDFI), which provides finance to small and micro-enterprises. One of the key sectors supported has been local food and sustainable agriculture.
- ❖ The **Centre for Local Food**, which provides managed workspace and support for a cluster of local food businesses, social enterprises and community food initiatives.

West Dorset Food & Land Trust	Local Food Links Ltd
• West Dorset Food Links project • Grow It, Cook It, Eat It project • Bridport Food Heritage project • Bridport Food Festival • Development of Centre For Local Food • Volunteer training programme • Cookery workshops • NVQ training In catering • Food safety training	• Farmers' markets • Farmers' market café & book stall • Fruit scheme • Fruit & veg stall At schools • Bridport Food Club • Hot school meals service – Bridport • Sales at Centre For Local Food • Sales to other outlets • Centre For Local Food – new kitchen and depot

b) Rationale: building a better food system

West Dorset Food & Land Trust was originally set up in 1996 as an unincorporated voluntary organisation, with the name Brit Valley Community Farm. The three original founders – Tim Crabtree, Joff Rees and Audrey Urry – shared a link to the local Quaker meeting. According to Tim Crabtree, this Quaker link was important in influencing one of the key aims of both the Trust and Local Food Links: *"We recognised the importance of bringing a mindful awareness to bear on the production and consumption of food, and the need to build connections that have been lost in our globalised and industrial food system"*

Audrey Urry was a contributor to a 1996 Quaker Green Concern anthology, and wrote: *"We have no rights of ownership over the resources of the earth. We do not own the earth, we borrow it from our children. We have the right to use what we need of the abundance the earth offers, and the responsibility to replenish the earth's store to replace what we have taken, remembering always to leave it as clean as we found it. Sustainable use, in the jargon. Most of our current economic practices take far more than our fair share, and are leaving the earth impoverished and befouled. We cannot go on like this."*²

² Adams, Anne (Ed) 1996 The Creation was open to me Quaker Green Concern, Wilmslow

From this emphasis on mindful attention came a critique of the prevailing food system. This system was perceived to be failing in a number of significant ways:

- ❖ Negative environmental effects, including ground pollution from agricultural chemicals such as fertilisers and insecticides; air and climate pollution from intensive meat production and increasing food miles contributing to climate change.
- ❖ Negative health effects, including obesity, some cancers, coronary heart disease and diabetes; as well as salmonella, BSE (“mad cow disease”), E.coli and pesticide residues, contributed to by the emphasis on low cost food, junk food and heavily processed foods.
- ❖ Negative economic impacts, including the loss of jobs in agriculture, low wages throughout the food and farming industries, poor terms of trade for farmers in the global South coupled with the impact of subsidies and dumping caused by nations of the North.

The original aim was to help build a better food system, one that was more connected to the locality and avoided these negative effects. At a practical level, the founders planned to develop community food initiatives, such as a community farm providing both an educational focus (as with city farms) and a source of organic produce (on the lines of a community supported agriculture project).

c) Taking practical action

It became apparent very quickly that accessing the resources required to create a community farm was not going to be easy, but despite this a framework for long-term capacity building and community action was developed. This started from the understanding that any food system sits within a wider ecological and human context, with the latter having both personal and social or political dimensions.

The founding group recognised that they could do little to influence the political framework in the short term, but could be strongly guided by ethics based on an understanding of environmental limits and the negative impacts that food could have on people and communities. It was felt that this could be directed at practical action to support the development of a localised food system, which in time could provide an alternative to the globalised and industrialised food system. To support this practical action, a further element to the analysis was developed, based on an understanding of economic processes.

The aim of Local Food Links’ founders was to contribute to a transformation of the dominant food system through actions on both the supply-side and the demand-side. It was felt that encouraging greater demand for food that delivered positive rather than negative effects, plus support for the supply of such food, would gradually lead to an improvement in the nature of the food system. The focus was on local and organic production, but there was also recognition of the importance of supporting fair trade. This can be achieved through:

- ❖ Awareness raising and education
- ❖ Seeking to influence the political framework
- ❖ Seeking to improve the affordability of good food and improving access to good food for priority groups, e.g. children, older people, people with illnesses or disabilities.

In practical terms, these translated in the early years into the following activities:

❖ **Education**

- Food Festival July, 1998
- Local Food Directory, 1999 and 2000
- Food Week, October 2000
- Community Gardens in local schools

❖ **Influencing policy**

- Work with Dorset Agriculture working group
- Establish Dorset Food Links
- Establish South West Local Food Economy Partnership
- Establish South West Association of Farmers' Markets
- Interreg / DETR funded evaluation

❖ **Improving access and affordability**

- EU funded research into organic and locally produced food for school meals

There was a key problem. If, for example, we want to see more local processing or marketing of agricultural products, the infrastructure for this must be in place. However, over the last 50 years or so this infrastructure has disappeared, and with it many of the resources that are necessary to re-build such infrastructure, such as people, knowledge, organisational structures, land, buildings and money.

One of the first responses was to set up Local Food Links as a subsidiary trading company of the West Dorset Food & Land Trust, in order to develop and run Farmers' Markets – in effect a form of joint marketing for local producers. In the longer term, the supply side focus led to the development of proposals for managed workspace, community farmland trusts, a regional reinvestment company, training and apprenticeship programmes, etc.

3. 1999 to 2001: Farmers' markets and the market café

Local Food Links was originally established by the West Dorset Food & Land Trust as a trading subsidiary to run farmers' markets, operate a café and manage book sales. The Trust sought advice from the legal department of Co-operatives^{UK (3)} which advised that the running of farmers' markets would not be appropriate for the charity, as it would not be seen as "primary purpose" trading (i.e trading which contributes directly to one or more of the objects of a charity as set out in its governing document). It would also not be seen as "ancillary trading", which contributes indirectly to the successful furtherance of the purposes of the charity. An example of ancillary trading is the sale of food and drink, in a restaurant or bar by a theatre charity, to members of an audience.



³ CooperativesUK is a national partner in Making Local Food Work, offering advice and training on Governance and Legal Structures, see: <http://www.makinglocalfoodwork.co.uk/about/gs/index.cfm>



In addition, it was advised that farmers' markets would be inappropriate as "non-primary purpose trading". This is permitted in order to raise funds, provided that the trading involves no significant risk to the assets of the charity. The 'significant risk' to be avoided here is that the turnover is insufficient to meet the costs of carrying on the trade, and the difference has to be financed out of the assets of the charity. Co-operatives^{UK} advised that as a new and untested venture, the operation of farmers' markets could constitute a significant risk.

For these reasons, Co-operatives^{UK} advised that a trading subsidiary should be established. The trading subsidiary, Local Food Links Ltd, was registered as a Single Member Private Limited Company, limited by guarantee. The Trust was the single member, and its liability was limited. The directors of the company (a

minimum of two) were appointed by the charity, and its objects were:

- ❖ To operate farmers' markets and other activities which promote local food links and to carry out other income-generating activities.

The company operated farmers' markets, a café and a book sales service for two years.

a) Developing a secondary structure: Bridport Centre for Local Food

The West Dorset Food & Land Trust and Local Food Links had developed a wide range of activities in their first two to three years of operation, but the organisations lacked a visible and permanent presence. Planning therefore began on the creation of a pilot centre, which would act as a base for local food activities. The view was that if the local food sector was to develop beyond farmers' markets and specialist foods, that there would need to be support for new enterprises and the provision of local infrastructure to underpin collaboration around processing and marketing. It was felt that a Centre for Local Food in Bridport, acting as a managed workspace and a business incubator for the local food sector, would provide this infrastructure. It would offer access to processing and distribution facilities, offer training and business development support, as well providing workspace for a range of sustainable local food initiatives including co-operatives and community enterprises.

The long-term intention was to develop a thriving local food cluster, comprising farms, food and drink businesses, processing and marketing co-operatives, and community enterprises. Community-based food initiatives, such as community gardens, and school "Grow It, Cook It, Eat It" programmes and food co-ops, would also be supported. The Centre was designed to offer support to four sets of users and projects:

- ❖ Micro enterprises and small businesses in the local food sector.
- ❖ Children and young people, through the West Dorset Food & Land Trust's "Grow It, Cook It, Eat It" work with schools.

- ❖ Social enterprises, including a new school food service (supplying local, organic and fair trade food to breakfast clubs and fruit tuck shops).
- ❖ The wider community, through the development of a Learn-Direct Community Learning Centre and a range of gardening and cookery workshops.

The West Dorset Food & Land Trust carried out research, with funding from the South West Regional Development Agency and the Calouste Gulbenkian Foundation, into the barriers faced by producers seeking to develop the local food economy further. Key obstacles identified included:

- ❖ the lack of suitably trained staff;
- ❖ the lack of appropriate infrastructure for processing and distribution;
- ❖ the high cost of land, housing or workspace, which presents a barrier to entry for potential new entrants, and a barrier to the expansion of existing firms.

A follow-up study by a researcher at Bournemouth University highlighted the lack of facilities for adding value as a restriction upon the expansion of businesses and in some cases forcing enterprises to consider reducing their production levels.

A business plan was produced for the new Centre, which would provide managed workspace for a cluster of local food businesses, social enterprises and community food initiatives. The Centre would also provide a focus for training and development work, and act as an incubator for new projects and enterprises. Three key aims were identified:

Aim 1: To provide workspace for local products businesses

- By providing access to serviced office facilities
- By providing access to a commercial kitchen facility to enable new product development and enterprise start-up
- By providing access to a food workspace, distribution depot and storage facility

Aim 2: To provide workspace for community organisations and social enterprises

- By providing access to desk space, office equipment and meeting space
- By working with partners (e.g. Dorset Co-operative Development Agency (CDA) and Dorset Community Action (DCA)) to provide appropriate support and advice
- By providing access to a community garden, kitchen facility and depot area to underpin community-based local food projects

Aim 3: To develop training facilities for commercial and community organisations

- By providing access to a networked computer suite and training area
- By providing access to a kitchen and demonstration area which will provide a basis for training provision
- By developing programmes of training suitable to either commercial or community-based clients, in partnership with Kingston Maurward, SEDNET, etc.

A five-year lease was agreed with the landlord, and the Trust was able to develop the first phase of activity at the Bridport Centre for Local Food:

- ❖ **Serviced office facilities**, which were used by the West Dorset Food & Land Trust and Local Food Links Ltd.

- ❖ **Business support and incubation** of new mutual and social enterprises, offered by workers from CDA and DCA, who were based part-time at the Centre.
- ❖ **West Dorset Organic Foods Ltd**, a new processing and marketing co-operative which West Dorset Food & Land Trust developed during 2001, was launched with 14 founder member farms. It was proposed that the co-operative would use the Centre's facilities once fully operational.
- ❖ **Training facilities** were developed in partnership with Kingston Maurward College, who received funding to install 8 computers in the Centre, offering on-line and face-to-face training. The Trust also received funding to employ a Training & Development Manager, with a full programme being offered from January, 2003.
- ❖ A pilot **Community Resource Centre** was established to offer desk space and access to resources for local groups.



In April, 2002, the West Dorset Food & Land Trust took on the lease of a 4,000 square foot building in Bridport's "South West Quadrant". The building needed a great deal of refurbishment, but grants were secured and by April 2003 the building was ready to use. The pictures above show the Bridport Centre for Local Food prior to its refurbishment.



The Centre's commercial kitchen was used by new-start businesses, such as the Moore than Enough catering firm which was also assisted by the Prince's Trust. Existing outside catering firms also used the kitchen, particularly in the evenings and weekends.



One difficulty faced was the failure of producer-led collaborative projects, including West Dorset Organic Foods and Dorset Food Links. It had been anticipated that co-operative processing and marketing initiatives developed by these organisations would provide the “anchor tenants” for the Centre for Local Food. However, it was possible to fill the workspace and office space with other tenants, and in addition Local Food Links managed to involve many of the individual producers involved in the earlier schemes in a new a processing and distribution scheme for schools (see below).

b) Developing a secondary structure: Wessex Reinvestment Trust

Access to finance, to support enterprises seeking to diversify, add value to their produce or collaborate with other partners, had been identified as a key issue by the founders of the Food and Land Trust and Local Food Links from an early stage. In 2000, a group of organisations from Devon, Dorset and Somerset came together to develop proposals for a new “community development financial institution” (CDFI) which came to be known as Wessex Reinvestment Trust. After a prolonged period of research, business planning and fund-raising, the new institution was established in 2003. A group of organisations were created, which initially worked through a common set of board members meeting at the same time – a charity to raise funds for research and development work, an Industrial & Provident Society to provide business lending, and a company limited by guarantee which developed a home improvement loans service.

The Wessex group has been a constant source of support for Local Food Links:

- ❖ in 2005 it provided a loan for the purchase of a van, to support the school fruit scheme and then the soup pilot scheme (see below);
- ❖ in 2006-7 it advised Local Food Links in its transition to an independent organisation, structured as an Industrial & Provident Society, and supported a share issue to attract members and finance;
- ❖ in 2008 it provided a further loan to Local Food Links.

4. External shock No. 1

a) Collapse of West Dorset Organic Foods and Dorset Local Food Direct

As explained above, the original business plan for the Centre for Local Food envisaged it as a resource to be used by local food businesses in West Dorset. In particular, it was hoped that

a new processing and marketing co-operative – West Dorset Organic Foods – and a new local foods distribution business – Dorset Local Food Direct – would become anchor tenants and contribute funding to the creation of a processing and depot area within the building.

Unfortunately, both enterprises failed when it proved difficult to find member businesses which could provide the time and leadership to take the two co-operatives to a successful launch point. The impact on the Bridport Centre for Local Food was that it lost two “anchor tenants”, and this caused financial difficulties for some time. In the end it was necessary to find tenants from the statutory sector to rent some of the workspace, and this was less than satisfactory as it meant giving up some space that had originally been envisaged as potential food processing workspace. However, in the longer term it took Local Food Links down a new route, seeking to establish its own scheme to source, process and distribute local, organic and fair trade food.

5. 2003 to 2005: The School Fruit Scheme

In 2003, Local Food Links worked with local primary schools to establish a fruit scheme. The project started with a pilot scheme at Bridport Primary School, with volunteers preparing over 400 fruit salads for the children. In the following week, a fruit tuck shop was organised, with children able to buy fruit. As much as possible was sourced locally, though apples and pears were not available in July!



The fruit salads and tuck shop were very successful, but the children were not so keen on eating whole pieces of fruit during their very short break times. Discussions with the children and the teachers eventually led to the development of a scheme where volunteers would come in to cut up fruit in the early morning – the younger Key Stage 1 children (4-6 year olds) would eat the fruit as part of “circle time”, while the older



Key Stage 2 children (7-11 year olds) would make a small fruit salad in a beaker, choosing three out of a selection of four different fruits.



The fruit scheme was a great success, and eventually was rolled out to 6 primary schools with the support of funding from the Rural Development Programme (RDP). In Bridport Primary School, for example, 396 out of 400 pupils were paying to have fruit every day (10p for Key Stage 1 and 15p for Key Stage 2). The Rural Development Programme funding allowed Local Food Links to recruit a co-ordinator, who procured fruit and vegetables, distributed food to the participating schools and then supported teams of volunteers who would prepare a variety of chopped fruit. Although only a relatively small scale initiative, the Fruit Scheme started to build the capacity of Local Food Links as a social enterprise engaged in the procurement, processing and distribution of foods to a set of local customers.

6. External shock No. 2

a) Introduction of the government's free fruit scheme

The grant from the Rural Development Programme required match funding, and this was achieved by charging parents a small amount for the fruit that their children were eating. Then the government decided to introduce a free fruit scheme for Key Stage 1 children, and refused to delegate funding to local authorities or schools. The contracts for distribution of fruit covered one or two counties (Dorset and Somerset were linked together), and this made it impossible for Local Food Links to bid for the contract. The contracts for supply of fruit (apples, pears, bananas and peelable citrus) were for the whole of region, and for apples and pears only grade 1 fruit was allowed – this meant that in the South West, no growers were able to supply the scheme. The effect on Local Food Links was that suddenly half of its match funding income was lost, and there was the ridiculous situation that Key Stage 1 children were eating apples and pears from Spain and Bulgaria while Key Stage 2 children were eating apples and pears from an orchard two miles from Bridport!

7. 2005 to 2006: Pilot hot lunch scheme

Local Food Links now needed to create a new enterprise, in order to meet its targets for income generation and procurement of local foods. The focus fell on free school meals, which had been flagged up as an issue of concern by governors at Bridport Primary School. These were packed lunches made in London, then trucked down to Dorset in bright yellow bags. The quality was very poor and as a consequence the take-up of free school meals was very low. Kitchens had been removed from Dorset's primaries in 1981, so there seemed to be little alternative. However, Local Food Links had access to the Centre for Local Food's

training kitchen on a Monday, and decided to develop a “soup lunch” pilot scheme, which proved very popular with children and parents. This had the triple benefits of:

- ❖ providing a healthy alternative to packed lunches (and in the case of children eligible for free school meals the governors decided to pay for them);
- ❖ providing a new stream of income to Local Food Links to act as match funding;
- ❖ providing a new market for a wider range of local food producers, as the meals included a bread roll and butter, a soup made with local ingredients, and a flapjack using local oats, butter and honey.



The new scheme proved to be very popular, and soon the other large primary school in Bridport – St. Mary’s – requested to join the soup lunch scheme.

8. External shock No. 3

a) New rules for school meals, and ready-meals from Nottingham

In 2006, following campaigning by TV chef Jamie Oliver (which in turn built on a long period of lobbying by organisations such as the Soil Association, Sustain and the Caroline Walker Trust), the government asked all local authorities to put in place plans to ensure the delivery of an enhanced school meals service from September 2008. New nutritional standards were introduced, and these meant that hot meals would have to be provided. As explained above, this was a particular challenge for local authorities in Dorset which had authorised the removal of school kitchens.

Dorset County Council proposed that schools should join a central contract, with meals supplied from a factory in Nottingham, 200 miles away, and re-heated in hub kitchens. This

would have replaced Local Food Links' soup lunch scheme, but more importantly, staff, governors and parents at local schools were not happy with the idea of meals coming down from Nottingham. There was then an opportunity to build on the pilot scheme and create a full hot meals service.

9. 2006 to 2007: Development of West Dorset School Meals Partnership

Local Food Links started by establishing a formal partnership with the 8 primary schools in the Bridport area, with the aim of developing a full 5 day per week hot meals service by September 2008. Dorset County Council was prepared to support Local Food Links as a pilot scheme, and intended to evaluate the success of the scheme to assess whether it could provide a model for other parts of Dorset.



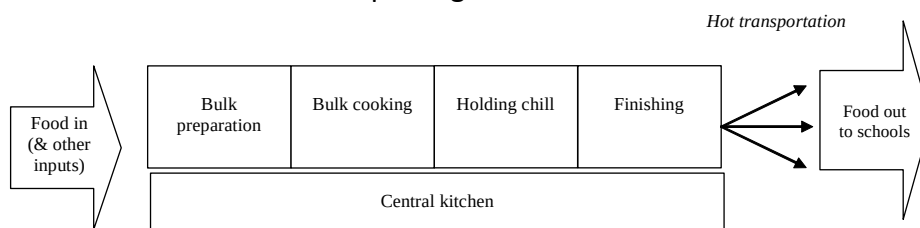
Funding was secured from the Esmée Fairbairn Foundation, Dorset County Council, LEADER+ and the Co-operative Action Foundation, with £220,000 raised in 6 months. Half of this amount was used to create a new commercial kitchen and distribution depot at the Centre

for Local Food, and install specialist catering equipment. With the remainder a new staff team was recruited, including a Development Manager, Kitchen Manager, Cooks and Assistants. Within 12 months there were 12 part-time and full-time staff working at Local Food Links. In the early days of the scheme there was also a team of parent volunteers, who each helped once a half term, to serve and clear the lunches.

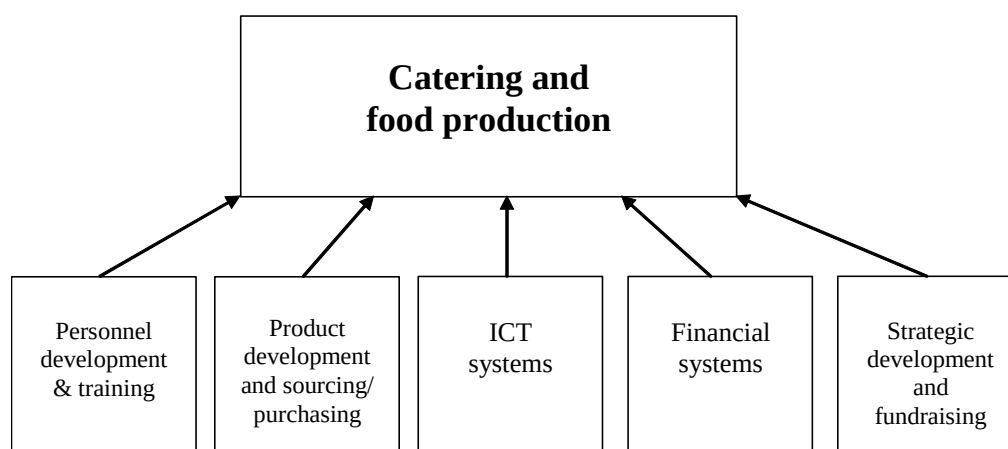


Between April and June 2007, the project moved to working with all 8 schools twice a week, and by the end of this initial period, 1000 meals per week were being produced from the new kitchen. The lunches used significant quantities of local and sustainably produced food as key ingredients (e.g. fruit, vegetables, flour, oats, butter, milk, eggs and honey).

The diagram below describes Local Food Links' core operations process of producing hot meals at a central kitchen and transporting them hot to schools.



The primary operations of catering and food production require a set of administrative, “back-room” functions. Local Food Links developed a number of systems which underpin the core operations, as shown in the diagram below:



Illustrated explanation of equipment needs at each stage		
Food in ↓		
Initial storage ↓		- Cold room - 2 x refrigerators
Initial preparation ↓		- Potato rumbler - Veg prep machine - Food mixer
Cooking ↓		- Steam kettle - 2 x Bratt pans (large hinged frying pans) - 6 x combi ovens
Cleaning ↓		- Pass through dishwasher
Final storage ↓		- 3 x blast chillers - 2 x cold rooms
Distribution		- Refrigerated van

10. 2007 to 2008: Restructuring Local Food Links

a) Restructuring Local Food Links as an independent social enterprise

In 2007, Local Food Links was re-structured as an Industrial & Provident Society for Community Benefit. It was proposed that the new service should be “user-led”, and that schools and parents would be encouraged to become members. However, this would not be possible if Local Food Links remained as a “single member” trading subsidiary. There were a range of options open to Local Food Links:

- ❖ It could become a charitable company in its own right, with objects focused on the provision of school meals (which is a charitable purpose).
- ❖ It could register as a Community Interest Company, either limited by guarantee or by share.
- ❖ It could become an Industrial & Provident Society.

It was intended that “service users” (i.e. children, parents and schools) and staff should be involved in designing and delivering the best possible food services. The schools would provide the premises, administer the ordering process and serve meals. They would also control the free school meals budget on behalf of low income families, covering about 5 to 10% of children. Meanwhile parents would purchase up to 90% of the food provided. The intention then was to create a legal structure which puts these service users in control of their spending, working in close partnership with the staff who provide the service.

The key principles were to:

- ❖ Create a structure which provides “mutual benefit” (i.e. people working together to meet their common needs) and “community benefit” (i.e. providing benefits to a wider portion of the community than just members).
- ❖ Balance the interests of stakeholders and ensure appropriate democratic governance. These include children, parents, schools and staff, but also the County Council, funders and suppliers.
- ❖ Put a “lock” on the assets of the organisation, so that it cannot be sold off or de-mutualised.
- ❖ Recognise the need for social enterprises to be “enterprising”, and if necessary to seek equity investment.

As a result of these considerations, legal advice was to register as an Industrial & Provident Society (IPS). An IPS is an organisation conducting an industry, business or trade, either as a co-operative or for the benefit of the community, and is registered under the Industrial & Provident Societies Act 1965 (I&P Act 1965). The Financial Services Authority is the registering authority. There are broadly two types of Industrial & Provident Society rules:

- ❖ those for projects aimed at benefiting the members of a co-operative;
- ❖ those for projects aimed at benefiting the wider community.

Co-operative societies are run for the mutual benefit of their members, with any surplus usually being ploughed back into the organisation to provide better services and facilities. Societies run for the benefit of the community provide services for people other than their members. It was proposed that Local Food Links be registered as an Industrial & Provident Society for Community Benefit. Local Food Links Ltd worked in partnership with Wessex

Reinvestment Trust⁴ to register as an IPS. Wessex received funding to research mechanisms to raise equity and loan finance for social enterprises, and as a result registered two model rules for Industrial & Provident Societies with the FSA. The Model Rules are:

- Wessex Reinvestment Trust Community Assets Model Rules.
- Wessex Reinvestment Trust Enterprise Investment Model Rules

The Community Asset Rules are for the setting up of an Industrial & Provident Society which will seek to raise funds to on-lend to asset based projects (e.g. housing, workspace and community facilities). The IPS would act as a Community Development Finance Initiative in its own right, and so the rules contain specific clauses, at the request of the Financial Services Authority, to protect investors.

The Wessex Reinvestment Trust Enterprise Investment Model Rules are used for social enterprises undertaking a trading activity for the benefit of the community. As explained below, they allow low cost investment, in the form of withdrawable, but non-transferable, shares. The model rules also allowed for this investment to fall under the Enterprise Investment Scheme tax relief regime.

Local Food Links was registered as an Industrial & Provident Society for Community Benefit in January 2007. The Model Rules were adopted in full, including the objects to:

- *Maintain or improve the physical, social and economic infrastructure within the South West of England;*
- *Advance education (particularly concerning asset based community development and enterprises with a community or environmental focus); and*
- *Provide an opportunity for public-spirited people and organisations to contribute financially to the community, with the expectation of a social dividend, rather than personal financial reward.*

Examples of the ways in which the society may carry out its objects may include:

- *Providing housing for those in need and help to improve housing standards;*
- *Creating training and employment opportunities by the provision of workspace, buildings or land;*
- *Developing new or existing services to the local community that contribute to the local economy.*

Those objects are carried on for the benefit of the community.

Membership of an Industrial & Provident Society requires the purchase of shares in the organisation. These are ordinary shares with a nominal value of one pound. The minimum shareholding in Local Food Links Ltd is one pound, and the maximum (set by law) is £20,000. Local Food Links set the membership at £1 to encourage as many parents and schools to join as possible. In addition, Local Food Links carried out a pilot share issue, to encourage members of the wider community to become members. The minimum value of the shareholding for wider members of the community was £100.

⁴ For details of the Wessex Reinvestment Trust, see: <http://www.wessexca.co.uk>

b) Making Local Food Work: Food Supply & Distribution

In October 2007, Local Food Links started to receive funding from the Making Local Food Work's Supply and Distribution strand. The agreed aim was to develop a new Local Food Distribution Hub within the Bridport Centre for Local Food. The Hub would provide a base for an enhanced local food distribution service, run by Local Food Links Ltd, which would deliver local, organic and fairly traded produce to three main target customer groups:

- ❖ Schools, which would receive deliveries of hot school meals;
- ❖ Local food clubs and co-ops, run by groups of people in the community.
- ❖ Commercial clients, including cafés, restaurants, hotels, B&Bs and retailers.

The Distribution Hub would build on the existing activities at the Bridport Centre for Local Food. The intention was to demonstrate in particular that Food Hubs should seek to add value to local products, before distributing these foods to customers – hence the emphasis was not just on wholesaling activities, but also on added value processing such as catering. The programme developed by Local Food Links aimed to benefit:

- ❖ people in communities on low incomes, who will have access to good, healthy and affordable food as a result of services operated by Local Food Links from the new Bridport Centre for Local Food;
- ❖ rural producers of all kinds (of both primary and secondary produce), who will benefit from new and expanded markets, thus helping to ensure their business viability and countering their sense of isolation;
- ❖ rural producers unable to access direct market channels because of family and caring responsibilities;
- ❖ people in communities with little understanding of food issues, therefore empowering them to make informed and healthy choices and take joint action to meet their needs;
- ❖ people with limited access to transport ensuring they have a rich and diverse choice in the food they eat – they will benefit from the expansion of the local food buying club linked to a distribution service;
- ❖ both rural and urban dwellers in maintaining an ecologically diverse countryside, through their increased ability to purchase local and sustainably farmed food.

Producers that Local Food Links worked with in this phase			
Producer	Food category	Producer	Food category
Bako Western Ltd.	Frozen/tinned goods	Hunt's Foods (distributors of Genesis Farm Meat)	Meat
Bothen Hill Produce	Fruit, veg	Leaker's Bakery	Bread
Bridget's Market	Fruit, veg	Manor Farm	Dairy
Complete Meats	Meat	M & J Seafood	Fish
Coombe Farm	Dairy	Oxford Bakery	Bread
Creedy Carver Chicken	Poultry	Punch & Judy Bakery	Bread
Davy's Locker	Fish	Rawles Butchers	Meat
Denhay Farms	Dairy	Roberts Foodservice	Dried/tinned goods
Edward Gallia	Flour	Somerset Organic Link	Veg
Elwell Fruit Farm	Fruit, veg	Stocks	Fruit, veg
Essential Trading Coop	Dry/tinned goods; tea, coffee	Vurlands Farm Eggs	Eggs
Five Penny Farm	Pork	Washingpool Farm	Veg
Foots Eggs	Eggs	Yeo Valley	Dairy
Forbidden Fruits	Fruit, veg		

One of the achievements has been that Local Food Links has been able to provide a route to market – in the arena of public procurement – for a large number of local producers, many of whom would have been too small to access contracts themselves.

The table above indicates the range of producers that have supplied Local Food Links since the start of the Making Local Food Work funding.

One of the outcomes of this approach was that Local Food Links was able to apply for the Food for Life Programme's Gold Catering Mark. This follows the key criteria shown below. Note that the standards are cumulative – compliance with all is required for the Gold Mark.

Food for Life Catering Mark key criteria
Bronze Level ❖ At least 75% of dishes on the menu are freshly prepared. ❖ Meat is farm assured as a welfare minimum. Eggs are from cage-free hens. ❖ Menus are seasonal and in-season produce is highlighted. ❖ No undesirable additives and hydrogenated fats.
Silver Level ❖ A range of locally sourced items is on the menu. ❖ A range of certified organic (for agricultural products) or Marine Stewardship Council-certified items (for marine fish) is served. ❖ Poultry, eggs and pork are produced in line with standards set for the Freedom Food scheme as a welfare minimum.
Gold Level ❖ At least 30% of ingredients are from a certified Organic or MSC-certified source. ❖ At least 50% of ingredients are locally sourced. ❖ Certified organic meat, dairy products or eggs feature on the menu as animal welfare good practice. ❖ Steps are being taken to increase the take-up of non-meat dishes, to promote a balanced, sustainable diet.
See more details of Food for Life at: www.foodforlife.org.uk

c) Development of catering services for schools and nurseries

By September, 2008, Local Food Links had reached its target of providing meals 5 days per week to the original 8 partner schools. It was then approached by 5 new schools, and agreed to work with these schools on the proviso that they would install satellite kitchens which could do the final cooking of meals initially prepared at the central hub kitchen. Local Food Links was then approached by 10 schools (including one operating from three different locations) around nearby Blandford in North Dorset. Dorset County Council supported the rolling out of the model to the Blandford schools, and also supported the refurbishment of a central hub kitchen and new serveries in schools.

Local Food Links undertook a series of actions, to support this new phase of activity, including:

- ❖ Community development work to build user engagement, through working groups at each school and a steering group for the cluster as a whole. The governance and

participation processes of Local Food Links as an organisation were also amended, in order to ensure representation from the Blandford area.

- ❖ Enhancing processes to engage children, parents and staff in the development of recipes and seasonal menus.
- ❖ Development of a new staff team, and evolution of the existing human resources and performance management policies and procedures. Staff of Local Food Links had been solely located within the Centre for Local Food in Bridport, so the shift to working over two sites was a particular challenge.
- ❖ Development of standardised operational procedures, to ensure that staff within the Bridport and Blandford kitchens are working in a similar way and following best industry practice.
- ❖ Development of the Local Food Links ICT system to support a second kitchen hub. The system allows school administrative staff to enter data about children's orders on-line, and this is then linked by the system to a database of recipes. Production schedules and purchasing requirements are automatically generated, and this results in significant administrative efficiencies for Local Food Links. However, the system needed to be adapted to cover separate clusters of schools and their hub kitchens. In addition, Local Food Links developed a site for parents and children, which allows on-line ordering as well as user feed-back.
- ❖ Development of revised financial management procedures, to ensure that each area of operation is adequately monitored from a financial perspective. Each "cost centre" required separate budgets and income targets, and management procedures to deal with any significant variance.



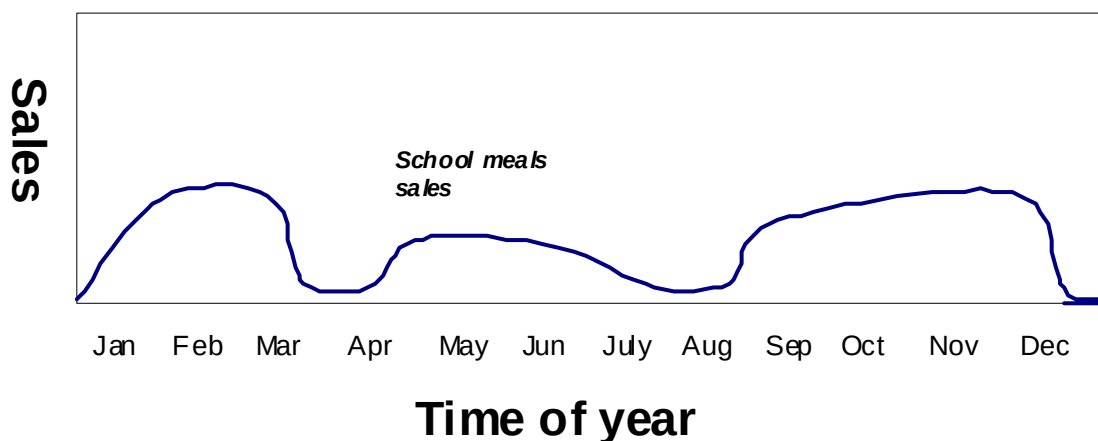
The development process in Blandford was very challenging, but within a comparatively short space of time (6 months) all 10 schools had moved to receiving meals 5 days per week. During this time, Local Food Links also developed its procurement arrangements and its menus, and was rewarded with the Food for Life Gold Catering Mark (see above), the first school meals provider in England to achieve this award.

11. External shock no 4

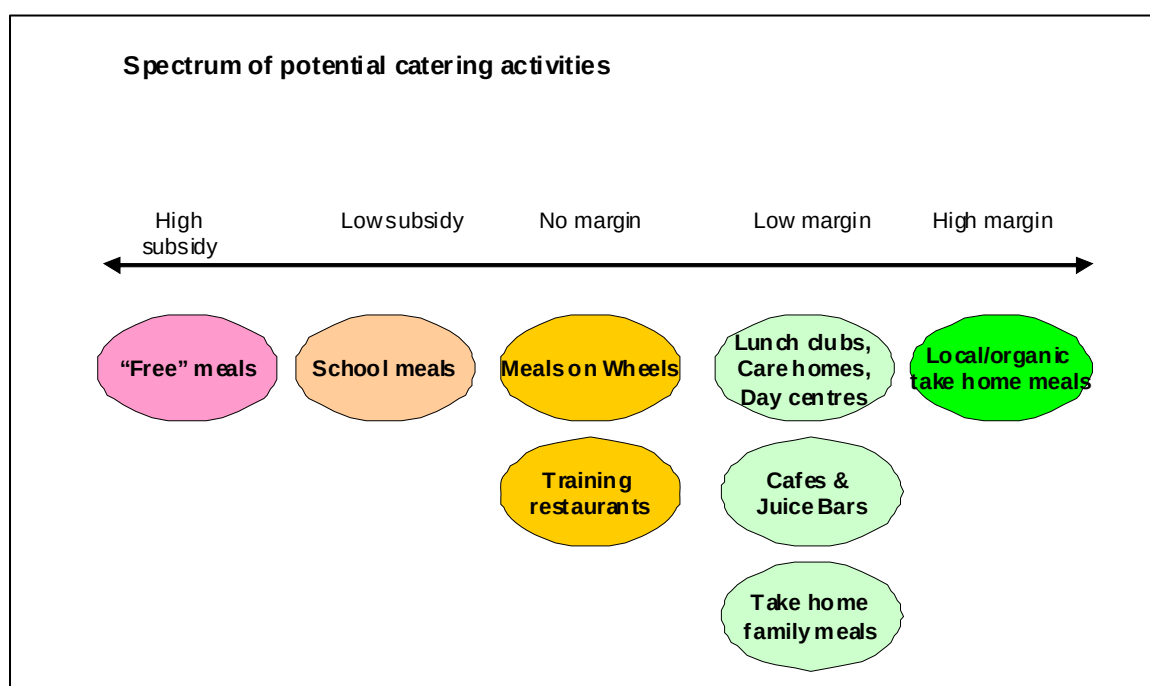
a) Financial pressures of running a school meals service

The schools meals service has been a success at one level – growing numbers of schools working with Local Food Links, a second hub kitchen established in North Dorset and a steadily rising take-up. However, there are two key problems:

- ❖ Revenues are limited because Local Food Links seeks to maximise quality while minimising price.
- ❖ For 13 weeks of the year, i.e. during holidays, no income is received but a set of fixed overhead costs (rent, rates, some staff, etc) still have to be met.

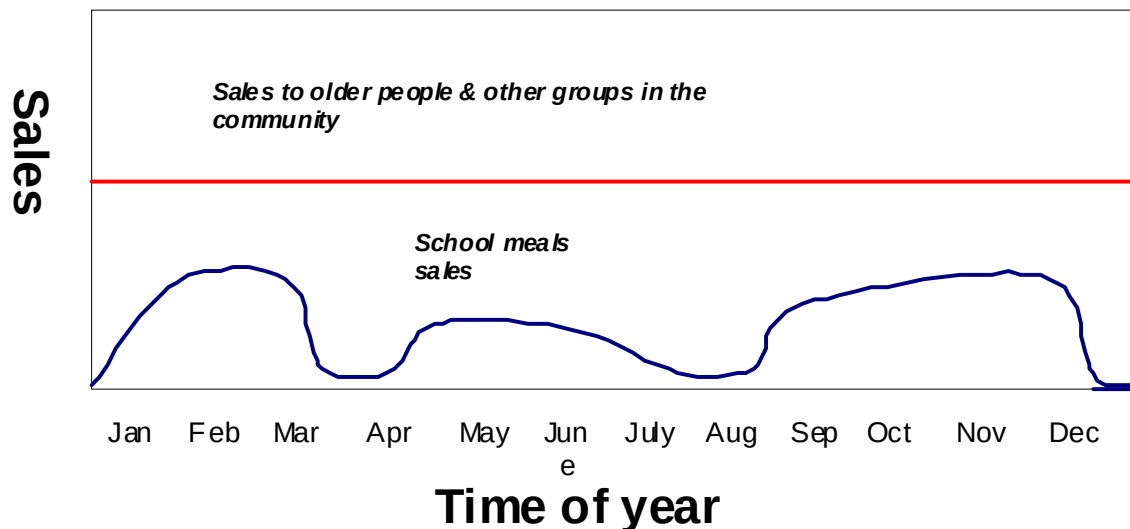


With the help of the social entrepreneur support organisation UnLtd,⁵ staff at Local Food Links began to explore areas of potential new work. This began with thinking about the margins which could be achieved through different types of catering operation:



Given the "public benefit" focus of Local Food Links, it was decided that working with older people provided the best opportunity to address both meeting local needs and addressing the organisation's financial viability. One key factor was that demand from older people would be consistent throughout the year:

⁵ For details of UnLtd and its social entrepreneur support programme, see: <http://www.unltd.org.uk/>



12. 2008 to 2010: Diversifying work through older people organisations

Following research and consultation with older people, Local Food Links convened the Food Initiatives for the Senior Community group in partnership with the Bridport Area Older People's Forum and the Dorset Partnership for Older People's Project. The aim was to identify a series of potential new services which could operate from the hub kitchen at the Centre for Local Food:

- ❖ Provision of catering for lunch clubs in community settings
- ❖ Lunch clubs at schools, with interaction between pupils and older people
- ❖ Local Food Clubs (food co-ops) providing access to affordable food
- ❖ Supply of prepared fruit & vegetables into Food Clubs
- ❖ Cookery workshops, e.g. older people sharing skills with younger people, lessons for single men
- ❖ Community kitchen sessions, allowing participants to "batch cook" a number of meals with a group of other people
- ❖ Support for catering services in day centres and care homes
- ❖ Production of meals and soups to be cooked in older people's homes

The set of initiatives outlined above was been designed to support older people at all stages of their lives. The government defines older people as those between 50 and 100. This is a clearly a very wide range! Although in broad terms there is a correlation between increasing age and decreasing independence, such a correlation is not fixed and therefore it is best to think in terms of a spectrum of independence rather than an age spectrum:

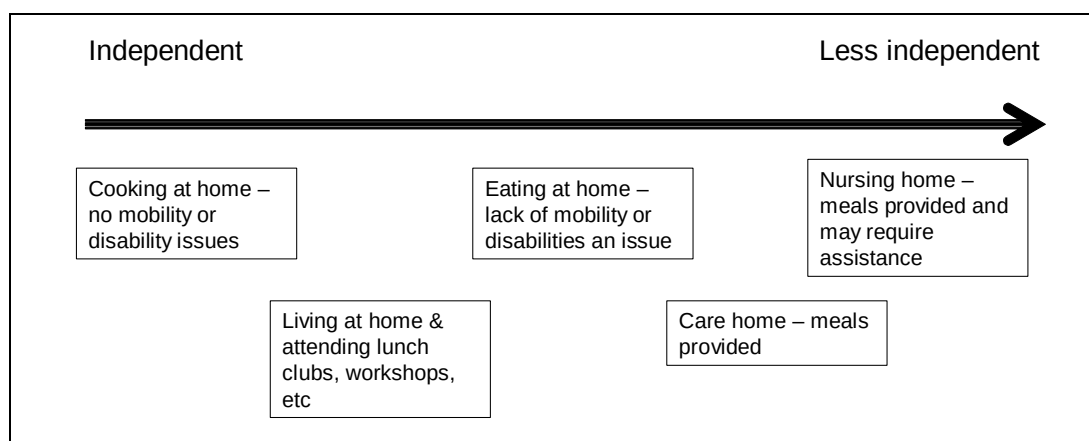


Diagram above: Older people, from independence to care

This understanding of the varying needs of older people then led on to a spectrum of food initiatives being proposed. The following diagram illustrates the range of initiatives which Local Food Links intends to develop in partnership with the Food Initiatives for the Senior Community working group:

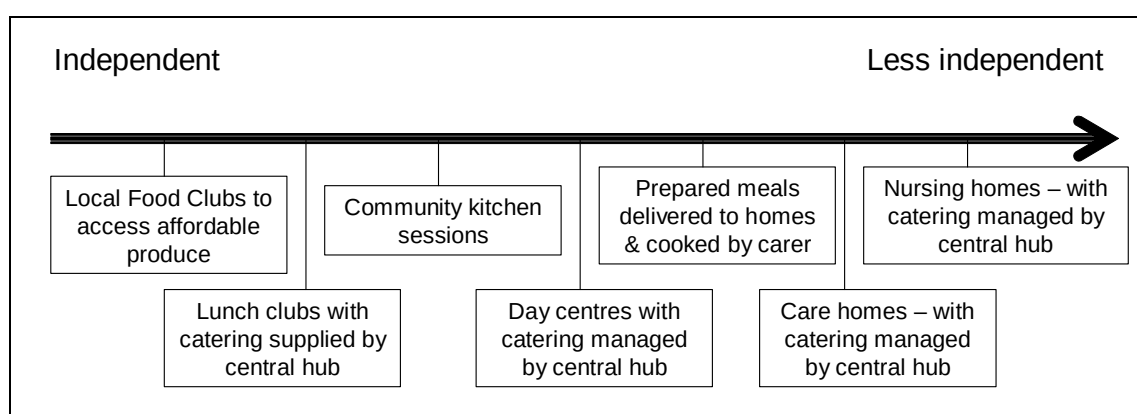


Diagram above: Local Food Links analysis of catering opportunities for older people

Local Food Links secured funding from a range of sources, including the West Dorset Partnership, Esmée Fairbairn Foundation, Help the Aged and the Big Lottery's Local Food fund, to support the work with older people. A new development worker has been recruited, and a range of initiatives are under way – including providing meals once a week for the local Age Concern day centre, exploring the feasibility of taking on the meals on wheels contract for the area and discussing with a local care home the potential for Local

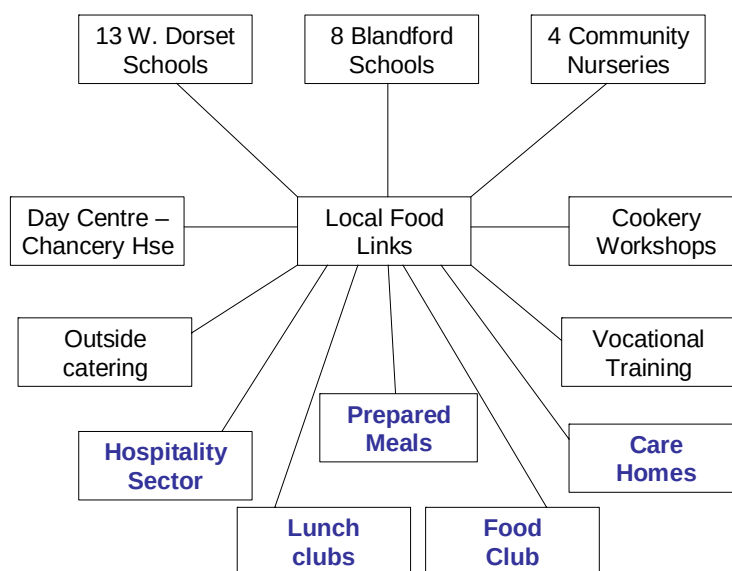


Food Links to take on their food procurement function.

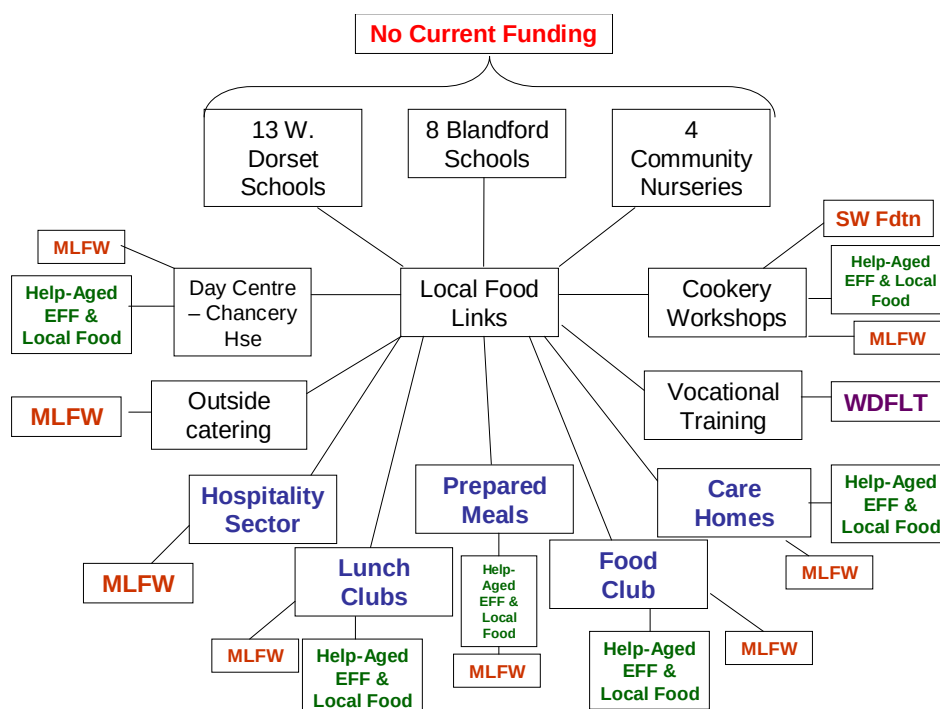


13. Finance

Local Food Links is a social enterprise, and as such seeks to generate as much income as possible from trading activities. However, there has been a need for development funding, which has financed a range of activities. The diagram below details the range of Local Food Links' existing and proposed (in blue) activities.



The diagram below gives details of the range of funding sources received by Local Food Links between 2006 and 2010 to support these activities. Further details are given in the table on the following page:



Breakdown of Local Food Links funding, and activities supported, 2006 to 2010				
	Funding 2006 - 2007	Funding 2007 - 2008	Funding 2008 - 2009	Funding 2009 - 2010
13 West Dorset schools	- Defra Rural Enterprise Scheme - Co-operative Action - Esmée Fairbairn Foundation	- LEADER+ and Dorset County Council - Making Local Food Work (MLFW) - Esmée Fairbairn	- Esmée Fairbairn	Trading income only
8 Blandford schools	N/A	- LEADER+ - Dorset County Council	- Esmée Fairbairn	Trading income only
3 community nurseries	N/A	N/A	Trading income only	Trading income only
Vocational training	N/A	N/A	N/A	- Contract with 3 secondary schools
Day centre – Chancery House	N/A	N/A	- MLFW - Esmée Fairbairn - West Dorset Partnership	- MLFW - Esmée Fairbairn - Help the Aged - Local Food Fund
Cookery workshops	N/A	N/A	West Dorset Partnership	- MLFW - Esmée Fairbairn - Help the Aged - Local Food Fund
Lunch clubs	N/A	N/A	West Dorset Partnership	- MLFW - Esmée Fairbairn - Help the Aged - Local Food Fund
Food Club	N/A	MLFW	MLFW	- MLFW - Esmée Fairbairn - Help the Aged - Local Food Fund
Care homes	N/A	N/A	West Dorset Partnership	- MLFW - Esmée Fairbairn - Help the Aged - Local Food Fund
Outside catering	N/A	MLFW	MLFW	MLFW
Hospitality sector	N/A	MLFW	MLFW	MLFW

The level of financial support from the various organisations listed in the table above, over the period in question, is as follows:

- ❖ Defra Rural Enterprise Scheme: £50,000
- ❖ Co-operative Action: £50,000
- ❖ Esmée Fairbairn Foundation: £96,000 over 2 years, then £98,000 over 2 years
- ❖ LEADER+: £35,000
- ❖ Dorset County Council: £100,000
- ❖ Making Local Food Work (Big Lottery): £210,000 over 3 years
- ❖ West Dorset Partnership: £6,000
- ❖ Help the Aged: £20,000
- ❖ Local Food Fund (Big Lottery): £280,000 over 3 years

N.B.: all figures are rounded

14. Sustainable Local Food Hub

Local Food Links was supported through Making Local Food Work's Supply and Distribution Strand,⁶ funded by the Big Lottery's Changing Spaces fund and coordinated by the Plunkett Foundation, to develop a model of a "sustainable food hub". In contrast to hubs which act as wholesaling depots, the Centre for Local Food has been developed as a processing hub, with catering being the main operation. The thesis was that it was important to add value to local food within the hub before passing it down the chain to consumers.

Local Food Links would stand by this thesis, as it has allowed the organisation to create 24 jobs and to be on course to achieve financial sustainability through added value activities by 2013. However, one problem for the organisation has been that the original premises, which were first leased in 2001 and have been refurbished incrementally since then, are reaching the limit of their usefulness to Local Food Links. There are a number of issues:

- ❖ the Bridport Centre for Local Food was conceived as a pilot "food hub", and has been successful in many regards, but the location and layout of the building now present many problems – transport access is difficult, and the building does not have an appropriate flow (of goods in and out) to satisfy best practice food safety guidelines;
- ❖ the electricity supply into the building is limited, and as a result Local Food Links cannot operate all equipment at once without risk of over-loading the system;
- ❖ the owners of the building wish to redevelop the trading estate on which the Centre is sited, and this creates uncertainty around security of tenure;
- ❖ the Centre is costly to run, as it was not originally built with energy efficiency in mind, but it would be very difficult to retrofit it to meet best practice standards.

As a result of these considerations, Local Food Links has for some time been investigating the potential to create a new Local Food Hub. The development of these plans has been in three phases, as follows (and with further details below):

Phase 1: Feasibility study into a Hub that combines a large scale catering facility with managed workspace for food businesses and office space to rent. These plans, described below, incorporated a small space for growing vegetables, and it was intended that this would allow recycling of food waste through composting and recycling of heat by passing hot air from the kitchens into greenhouses. However, these proposals have now been superseded by new plans which seek to place much greater emphasis on linking the generation of renewable energy with the production of processing of food.

Phase 2: Researching the optimum scale for food hubs development in a research project defined by a Masters student from Masaryk University in Brno, Czech Republic, into the question of optimum scale for a food hub focused on adding value to local and sustainable food through public sector catering. The aim of this research is to investigate the sustainability of hub kitchens which both deliver-in hot food to partners' establishments as well as pre-prepare food. This phase has been defined, and key questions identified, but it has not yet found funding.

⁶ For details of the Making Local Food Work programme and other projects supported by the Food Distribution & Supply strand, see: www.makinglocalfoodwork.co.uk

Phase 3: Integrating catering, growing, energy and waste management. During phase 1 of research into a new food hub, the emphasis was on workspace, with the food growing and renewable energy components an important but not central element of the proposals. During 2010, however, Tim Crabtree has worked with colleagues at Wessex Community Assets and Bridport Renewable Energy Group to develop plans for a Food Hub which locate catering operations within the context of primary food production and waste recycling.

a) Phase 1: Feasibility study

This aims to explore the potential to locate catering facilities within a new-build managed workspace complex. During 2009, Local Food Links developed proposals for a new Local Food Hub, which could provide a base for the organisation's activities as well as a model for similar Hubs across the South West. The Hub would have 4 key elements:

1. A focus for community-led catering services

- ❖ A well-equipped commercial kitchen to underpin user-led catering services – for children, older people and other priority groups in the community. The central kitchen would support satellite kitchens in public sector organisations such as schools, day centres and care homes and would produce meals on wheels and other catering.

2. A focus for community food initiatives and skills training

- ❖ A training kitchen, to support vocational training for younger people, and cookery workshops for other members of the community. It would also offer the potential for individuals or families to do “batch cooking” together, taking meals home for eating later in the week.
- ❖ A café, to provide work experience for young trainees, and as a venue for lunch clubs and other social events. (This will also benefit the other local food tenant businesses providing a facility which they can make use of personally and to as a place to meet suppliers and potential customers for their own businesses).
- ❖ A depot to support a Local Food Club, which is a food co-operative operating out of different venues such as schools and sheltered housing.
- ❖ A training room and an Information Communication Technology (ICT) training suite, to support a range of training including business development, computer skills, food safety and related activity.

3. A workspace for new and expanding food businesses

- ❖ Food-ready workspace for rent supporting start-up businesses or entrepreneurs looking to expand. Each unit would have basic equipment and the requisite services, but there would also be access to shared storage, refrigeration and large-scale equipment.
- ❖ Office space for rent in addition to providing a base for the host organisation, for tenants in the food workspace and for other “ethical” businesses.

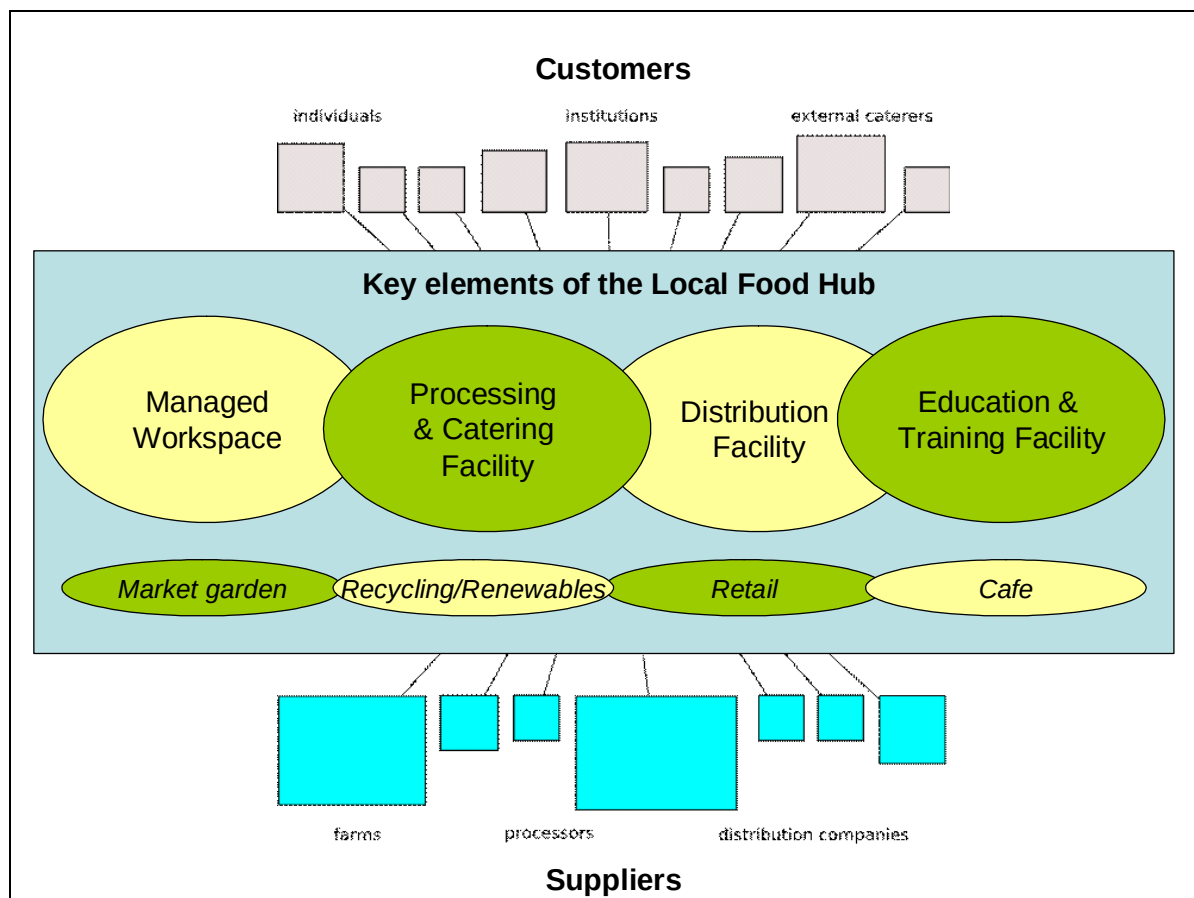
4. Demonstration of sustainable food systems

The new Local Food Hub would aim to be zero carbon and zero waste. This would be achieved in a number of ways:

- ❖ The building would be constructed from environmentally sustainable materials;

- ❖ The site would incorporate renewable energy generation, including solar thermal, solar photovoltaic panels, ground source heat pump and wind power;
- ❖ There would be a composting facility, to recycle food waste and create compost for use on site; and the site would include a small market garden on site with a focus on high value salad crops – these would be produced in poly-tunnels and raised beds, which would use the compost produced on site, and also be warmed by the excess heat generated by the kitchens.

The diagram below illustrates how the Hub could operate in terms of the services it provides to its key stakeholders, suppliers of local food and the customers they serve.



The diagrams below illustrate the potential design and layout:

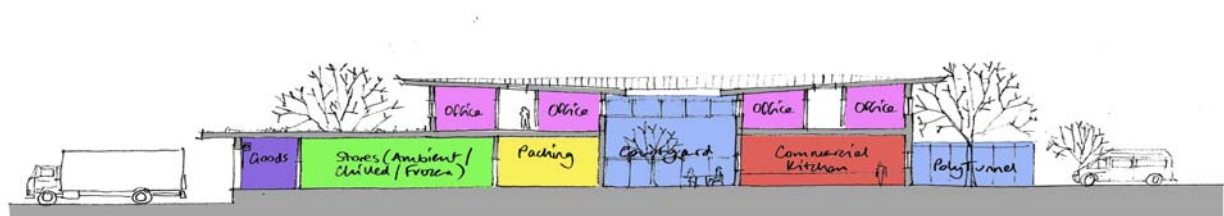


Diagram above: potential design for new Local Food Hub

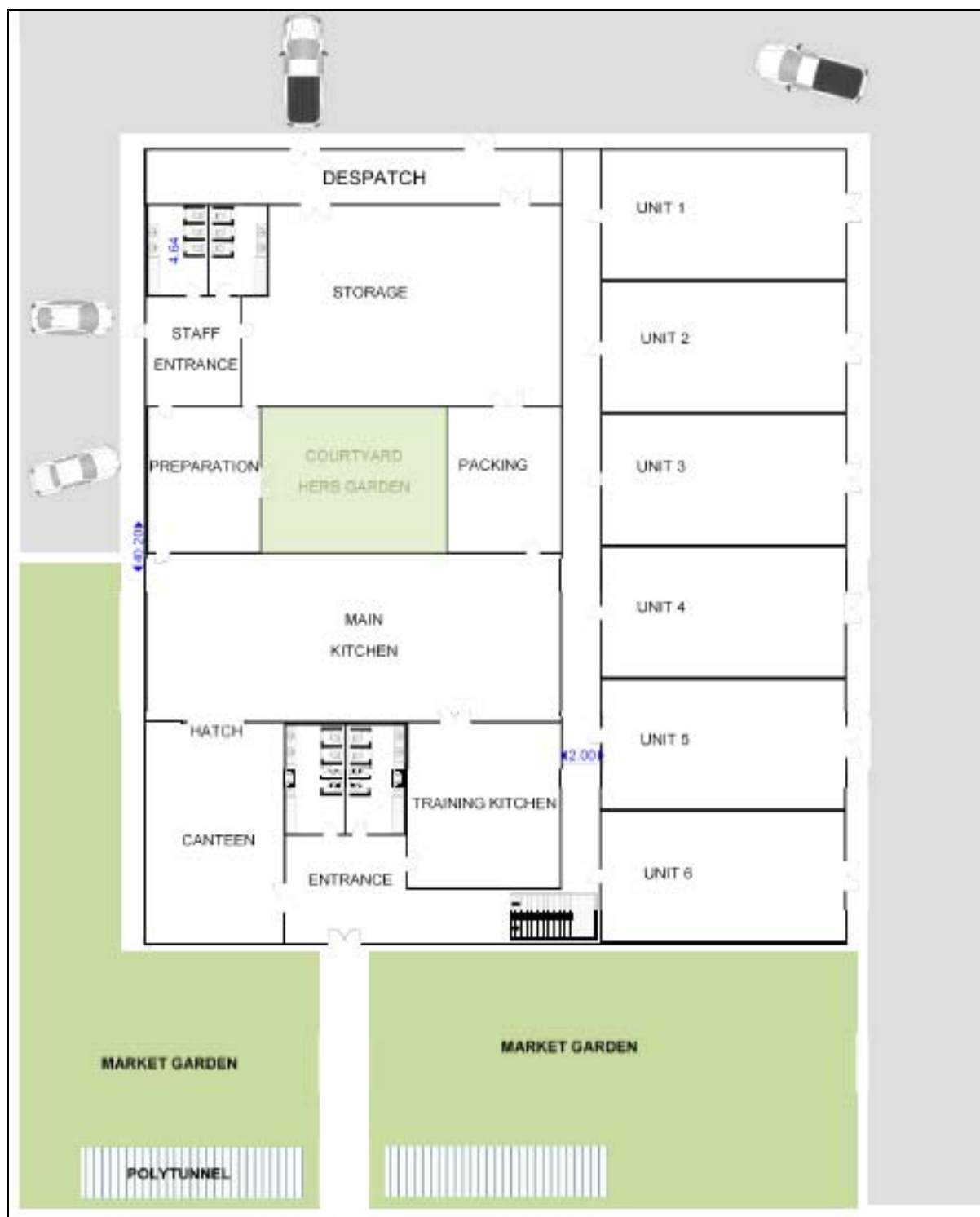


Diagram above: Proposed layout for new Local Food Hub

b) Phase 2: Researching the optimum scale for food hubs

During phase 1 of the research into local food hubs, it was recognised that Local Food Links would need to justify its proposal that public sector catering needs to move away from an industrial model of catering, with meals pre-prepared in factory-scale units, often sited hundreds of miles distant, and then 'regenerated' at a school, hospital or similar institution. This shift is driven by the economic imperatives of 'efficiency' and 'economies of scale', but

wider effects, such as the effect on the local economy and employment, the environmental implications and the social and health implications do not seem to be considered.

Local Food Links worked with a Masters student from Masaryk University in Brno, Czech Republic, funded through the EU's Erasmus Programme, to explore a number of questions that need to be raised about the shift away from on-site prime cook kitchens:

- ❖ With regards health and well-being, does the shift to an industrial scale operation imply a meal that is less 'fresh', more processed and lower in nutritional content?
- ❖ What impact does the loss of on-site kitchen facilities and catering staff have on social factors such as community cohesion, user engagement, personalisation, etc?
- ❖ Does the shift towards a more distant, larger scale of operation affect the nature of the production process, for example the quality of working life and opportunities for co-production between users and employees?
- ❖ Does a narrow analysis of the economic efficiency of industrial scale catering operations take into account local employment impacts, local multiplier impacts, local procurement implications and the potential for vocational training opportunities at a local level?
- ❖ What is the environmental impact of different scales of operation, including food miles (i.e. transportation), processing and cooking, and refrigerated storage?

Local Food Links recognised that the closure of many of the smaller prime-cook kitchens was probably inevitable. However, its concerns about the proposed alternative for primary schools in Dorset – ready-meals made in a factory in Nottingham and regenerated in Dorset – led Local Food Links to establish its first two hub kitchens, in Bridport and Blandford. The aim was to develop an 'intermediate' model of catering provision, whereby a set of functions were centralised (e.g. menu development, procurement, HR, finance, initial preparation) but close links with the partner schools, local suppliers and supporters from the local community could be maintained. As explained above, most meals are delivered hot. However, when later schools joined the partnership, and new partners such as a day centre for older people, satellite kitchens that can undertake final cooking on site are encouraged.

Local Food Links now wishes to test the hypothesis that, in order to counter the shift towards industrial scale catering (based on the regeneration of chilled or frozen meals that have been pre-prepared in factories), it is necessary to promote a hub and satellite catering model, which operates at an intermediate scale. The proposed research will need to test the questions raised above, which are summarised in the table below.

Summary of hypothesis underlying proposed research into hub-and-satellite catering model			
	Small-scale, local ←	Intermediate models	Industrial scale, centralised →
Health and wellbeing (quality of food)	- less processing - fresh = better? - higher nutritional content?	- to what extent does extra refrigeration, cooking and extra time affect nutrition?	- more processing - frozen = less fresh - lower nutritional content?
Social impact and community cohesion	- highest level of connection between users and producers - potential for co-production approach	- less connection between users and producers, but must be worked at - hub kitchen can be used for workshops, training, etc	- distant, lack of connection between users and producers
Quality of production	- more opportunities to develop cooking and	- depends on how diversified the operations	- less opportunity for co-production

process for participants (workers, volunteers)	management/admin skills	are, e.g. school meals and outside catering	- de-skilling
Economic efficiency/ Economic impact	- less efficient but requires most jobs - full set of equipment each kitchen	- saves having all equipment at each prime kitchen - needs blast chillers and other expensive kit	- more 'efficient' (in narrow economic terms) - lower local multiplier effect, i.e. less return to local suppliers
Environmental impact	- no transportation of the meal - but many suppliers delivering to many kitchens	- opportunities for local consolidation - but extra refrigeration, heating and deliveries	- food miles – offers best potential for consolidation - food miles – meals must be delivered frozen

The key thesis is that to counter the shift towards industrial scale catering (based on regeneration of frozen meals that have been pre-prepared in factories) it is necessary to promote a hub-and-satellite catering model, which operates at an 'intermediate' scale. This thesis is based on the assumptions in the table above. These assumptions need testing:

1. Are there clear trends away from prime cook kitchens towards the industrial model e.g. schools, hospitals, meals on wheels, and the wider hospitality sector?
2. What is the definition of 'intermediate' scale catering (which will involve some degree of pre-preparation of food for cooking later) and at what point does this become 'industrial-scale', factory based catering?
3. Looking at the assumptions in the table above, how do you test each assumption?
4. How do you put a value on each element and how do you weight each element?
5. How do you deal with good and bad practice at all three scales of operation? In addition, should the research compare only 'best-case' examples from the three scales of operation?
6. What implications does this research have for, e.g., urban food planning? A plethora of on-site prime cook kitchens in large urban areas may be ruled out for economic and environmental reasons, but should the alternative be an intermediate model or an industrial scale of catering? Food can be 'multi-functional', and does the shift away from on-site kitchens have an impact on the achievement of these functions?

Local Food Links has yet secured funding to explore the questions above, but it would seem essential that such issues be explored before investment is sought for a new food hub.

c) Phase 3: Integrated catering, growing, energy and waste management

As part of the development of the ideas in Phase 2, Local Food Links worked with the Soil Association and the University of Manchester to further analyse the carbon footprint of its catering operations. This research helped to clarify the kind of questions which are listed above, but in addition it made those involved in the research begin to consider a wider set of issues relating to waste and energy. The conclusion drawn was that unless food processing and catering operations can be integrated with primary food production, waste recycling and renewable energy generation, it is not possible to create a genuinely sustainable local food hub. This has led to a third phase of thinking – the development of the concept of a food hub based on a farm.

Although the research at phase 1 identified the potential to include a small scale market garden within the food hub, it has now been concluded that this would not be sufficient to maximise the potential of energy generation from a key process – anaerobic digestion. This technology has the potential to generate biogas which can fuel a combined heat and power generator, but the kitchen and green waste generated by the kind of food hub envisaged in phase 1 would not be enough to create sufficient biogas.

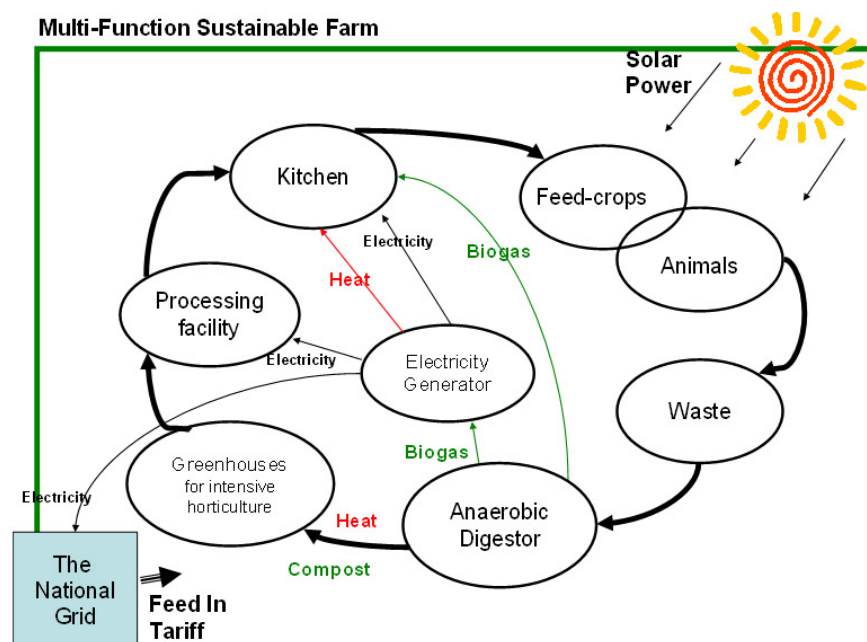
In addition, the partners involved in phase 3 identified the opportunity to address a number of concerns and opportunities – related to the need for a model of small scale food production and localised food preparation that is both sustainable and financially viable. The obstacles in the way of such a model can seem over-whelming:

- ❖ Land remains an expensive commodity, and therefore is out of reach to enterprises seeking to operate at a small or intermediate scale and in a sustainable way;
- ❖ Investment finance tends to flow to industrial scale farming and food processing operations, but the high rate of return to investors is often due to costs being externalised (e.g. chemical pollution, over-use of fossil fuels leading to carbon emissions, poor wages necessitating tax credits and other benefits);
- ❖ Food production is generally separated from food preparation (e.g. processing that adds value or catering), and as a result the potential to create a closed loop system that recycles waste nutrients and heat is usually lost.

However, there are opportunities that could underpin a new approach linking farming, renewable energy and food preparation:

- ❖ There is a continuing interest in local food initiatives and community food enterprises.
- ❖ Renewable energy installations have become more viable due to the introduction of the Feed-in Tariff, and there is the possibility of a new Renewable Heat Incentive.
- ❖ There are national social investment funds that could provide finance for the purchase of land, the installation of renewable energy facilities or the development of food preparation kitchens.
- ❖ There is growing success in the use of community share issues to raise investment from local people.

The diagram on the right provides an illustration of the connections that could be made if a local food hub was located on a farm or small-holding.



To progress the research agenda identified during phase 3, Bridport Renewable Energy Group and Wessex Community Assets have agreed to establish a new structure – Bridport Energy Services Company – which will undertake action research with 3 partner farms to explore the technical implications of linking anaerobic digestion with food production and food processing. It has been agreed that a second social enterprise structure will then be established, which will focus on the development of on-farm local food hubs. This new structure could work through some form of joint venture arrangement with Local Food Links to develop a new Food Hub in West Dorset (either around Bridport or Dorchester). Local Food Links would concentrate on catering while the new enterprise would develop and manage the facilities (including primary food production, food processing/catering and workspace, together with waste recycling and renewable energy generation).

In terms of relevance to the Making Local Food Work programme, key questions for the research into this new model of local food hub will include those relating to:

- ❖ scale, i.e. is there a size below which a facility is not viable;
- ❖ finance, i.e. can such a food hub be viable without accessing grant finance;
- ❖ trusteeship, i.e. are there mechanisms which will be needed, such as holding the land in a farmland trust or building an asset lock into the legal structure for the local food centre, which will be necessary.

15. Key issues and challenges

Local Food Links has developed very rapidly over the last five years, and this has created a number of challenges for the organisation. Some of these challenges relate to the nature of the organisation (i.e. a “community food enterprise”), for example the need to balance business objectives and social objectives. Others relate to the speed of change, and the shift from a volunteer-run project to a professionally managed organisation with 24 staff.

a) Tensions between social and financial objectives

The first challenge is that as a “community” organisation, Local Food Links must create sufficient surpluses to pay expenses and invest in the business, but at the same time it must meet its social objectives. One clear example is the tension between producing quality meals while selling them at a price that is affordable. This has led to debates within the organisation related to the balance of activities that the organisation should pursue. On the one hand there are those who feel that the focus should be solely on “community benefit” type activities, even if they are not completely self-funding – school meals are the main example here, with catering for older people also being developed. On the other hand, there have been suggestions that the organisation should develop more “commercial” activities which generate a profit and can cross-subsidise other activities which do not cover their full cost.

The funding from Making Local Food Work was partly focused on supporting this more commercial activity, but this has been difficult to integrate into existing operations. Partly this has been due to lack of time and resources, given the pressures of developing the school meals side of the organisation, and partly it has been due to the difficulties inherent in developing new areas of work, which is common to all small organisations, and which could in the future be addressed through following tried and tested change management processes.

b) Different stakeholder motivations

Related to this tension between social and financial outcomes, the community is being asked to play a number of roles in Local Food Links, and sometimes this can also create tension.

- ❖ Role 1 – as **beneficiaries** (e.g. children).
- ❖ Role 2 – as **consumers** (e.g. older people or parents).
- ❖ Role 3 – as **producers** (e.g. staff, but also schools & their volunteers).
- ❖ Role 4 – as **trustees of assets** held by Local Food Links, paid for by grants.
- ❖ Role 5 – as **investors** (members purchase “shares” which could receive interest – but not a distribution of profits).

Local Food Links has only one class of membership, but as this description of roles reveals, members can have very different motivations. This can lead to tensions, which become particularly acute at the level of the board. Directors must decide what weight to ascribe to the different “community benefits” which Local Food Links could deliver, and this is not an easy process. One obvious area is balancing the need to offer wage increases to staff with the need to keep price increases to a minimum.

Local Food Links is an Industrial and Provident Society for community benefit, and this is a structure which is not well understood. Therefore, people coming forward to sit on the board have found it difficult to balance the roles and tensions identified above. There is a tendency to view the organisation as a charity rather than a mutual structure, but this causes problems in balancing stakeholder interests. As a result, there is now a discussion as to whether the (currently dormant) West Dorset Food and Land Trust should be brought back into active engagement, focusing on education and community benefit activities, while leaving Local Food Links to focus solely on catering.

c) Different cultures appropriate at different stages of development

In the early stages of development of an organisation, the founders (or “social entrepreneurs”) will put in a great deal of effort, much of which will go unrewarded. This initial work will be fairly experimental or developmental, and will be followed by a stage where a focus on day-to-day “steady state” operations must replace the initial phase. All new organisations go through similar stages of development - one commentator describes these as birth, youth, adulthood, maturity, and decline. The “birth” stage is characterised, under this analysis, by the following:

- ❖ dominated by founders;
- ❖ run on adrenaline;
- ❖ few systems;
- ❖ informal structure;
- ❖ consensus management style.

By contrast, “adulthood” has:

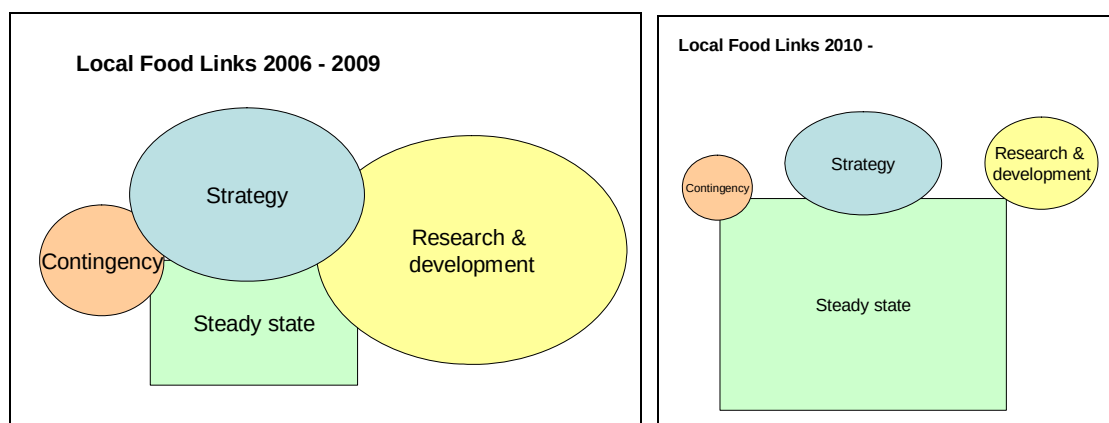
- ❖ strong leadership;
- ❖ strategically managed;
- ❖ board governs;
- ❖ managers manage;
- ❖ systems established;

- ❖ professional people management;
- ❖ clear reporting and accountability.

In a very short space of time, Local Food Links went from being a volunteer-staffed run organisation to one that employed 24 people and served thousands of meals a week. This raised a number of challenges:

- ❖ the people who take a social enterprise through the initial "birth" stage are unlikely to have the management skills and expertise required for the subsequent stages;
- ❖ as organisations grow they need to develop new systems and procedures, and they will be in danger of growing too fast without these foundations properly in place;
- ❖ the culture of an organisation focused on innovation and entrepreneurial responses to identified need is likely to be different to one focused on the daily delivery of a service.

The two diagrams below (which draw on Charles Handy's analysis of organisations) show how Local Food Links has developed from an initial focus on research and development to a current focus on consolidating its catering operations:



This shift in emphasis and culture has led to two of the “founders” of Local Food Links (Tim Crabtree and Martin Settle) to step back from the “steady state” operation. This is a normal path of progression, but Local Food Links is currently exploring how to ensure that it both builds sufficient management expertise for the day-to-day operations, while also retaining a research and development capacity – either in-house or through some other arrangement.

16. Conclusions

Local Food Links has developed considerably over the last 11 years. In summary, it has:

- ❖ Moved from being the trading arm of a charity to becoming an independent organisation;
- ❖ Become focused on service delivery, having identified a market for the provision of catering in the public sector which exceeds the standards delivered by the private sector;
- ❖ Moved from being a service delivered by volunteers (the initial fruit scheme) to one that is delivered by professional staff.

In the process it has struggled with a number of things, as do most organisations that increase in scale, with key areas that have been addressed as follows:

- ❖ Retaining a role for volunteers within its operations;
- ❖ Retaining a genuinely “user-led” focus;
- ❖ Combining a culture of innovation / research & development with the day-to-day demands of “steady state” operations;
- ❖ Balancing quality with the need to reduce costs and keep prices affordable;
- ❖ Moving from a sole focus on its main service (school meals) to having a more diversified range of services that make increased contributions to overheads.

Local Food Links will continue to address these issues, which will become more pressing as older and substantial funding support for Local Food Links, such as Esmée Fairbairn and Making Local Food Work, come to an end. However, it has a strong platform from which to move forward – a dedicated staff team, two well equipped hub kitchens, a new board and a good reputation with local people and organisations.

17. Useful contacts for information and advice

Sustain: The alliance for better food and farming works with community enterprises and caterers interested in using more healthy and sustainable food, see: www.sustainweb.org. To view the Food Co-ops Finder and Food Co-ops Toolkit, see: www.foodcoops.org. To read more case studies on Food Hubs, see: www.makinglocalfoodwork.co.uk/about/ds/index.cfm

The **Plunkett Foundation** coordinates the Making Local Food Work programme, and runs Enterprise Support for community-owned local food businesses that want to grow, change direction or increase profitability. Support includes business advice, skillshare mentoring and skillshare study visits: www.makinglocalfoodwork.co.uk/about/Enterprise_Support.cfm

Cooperatives^{UK} offers training and information in Good Food, Good Governance, as part of the Making Local Food Work programme, helping groups adopt sound legal and organisational structures through regional training workshops and bespoke training events; good governance publications; a telephone helpline and one-to-one advice; and web-based advice and links. See: www.makinglocalfoodwork.co.uk/about/gs/index.cfm

The **Food for Life Catering Mark** rewards caterers interested in demonstrating to parents and schools that they can provide menus that use fresh, seasonal, local and organic ingredients, high welfare meat and sustainable fish. The Food for Life Catering Mark criteria reflect good practice in healthy and sustainable school meals, having been developed in consultation with a wide range of leading school caterers from the private, independent and local authority sectors. See: www.foodforlife.org.uk/resources/catering/catering-mark

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