



(New, rural) business models, their mechanisms and impacts

BM name	Local Food Hub Retailing
Type	Short supply chains Social economy Job creation Territorial development
Sector	Agriculture Food Services
Organisational scale	Individual/private/family business Social enterprises
Short description	The hub through creating a retail offer based on a curated set of local foods and craft items in a well-positioned retail space, with the option of an attached restaurant and café, allows for the layering of social benefits. Employment and training opportunities (apprenticeships) are created, and a share of the profits redistributed to local community development opportunities and projects. The branding of the enterprise can reflect its social mission or the distinctiveness of the retail offer.
Mechanism	The mechanism is to curate a set of products that embody the goals of the business – food at risk of being wasted or products from a particular area – and use that as the basis of a retail and/or catering offer. Added to this is the potential benefit of local employment and training opportunities for nearby residents. The final layer is a profit redistribution mechanism in which a proportion of the revenue is used towards the social goals of the enterprise. The last element is to find a business niche not yet used in this way previously, see example below.
Innovativeness	The innovation is the combining of social enterprise models with a territorial offer in ways that create beneficial synergies coupled with finding a strategic niche that confers advantage.
Value creation	Mixed – a market for local small producers and the social values created are kept in circulation.
Customers, product/service, revenue streams and main cost items	Customer(s): Households, public institutions Product(s)/service(s): Food, craft products Revenue stream(s): Retailing, catering, training Main cost items: Appropriate premises, organisational insight and training.
Societal impact	Beneficial: <ul style="list-style-type: none"> • Markets for goods with environmental or social benefits • Increased job opportunities and training • Profits/surplus re-invested in community development • Opportunities for increased solidarity Negative: <ul style="list-style-type: none"> • The relatively high prices of products can make it appear socially exclusive
Rural-urban synergies	This model can offer essential market opportunities for rural producers as the retail focuses on primary producers of food and craft items. The employment opportunities are more often targeted at those who live in urban areas. Other flows are likely to cross between rural, peri and urban areas.



Connections with labour market and employment effects	These projects require a core of highly skilled and experienced staff, but many roles can offer entry-level employment and training opportunities (e.g. apprenticeships) to staff.
Enabling factors	<ul style="list-style-type: none"> • Key group of entrepreneurs with skills and experience • Strategic opportunity in the supply chain or infrastructure • Ability to make strategic investments in building and infrastructure • Solidarity of purchasers • Retail infrastructure (i.e. a shop/café building)
Limiting factors	<ul style="list-style-type: none"> • Lack of access to strategic niche – in this case the point in the road network • Finance for investment in facilities • Legal infrastructure or business support guidance to create layers of organisations
Key partners and actors directly involved	Individual businesses Consumers Civil society (NGOs, CSOs) (Local) government (incl. administration)
Role of (local) government	Regulator (and potentially as host, if suitable buildings are owned, which can be offered/let to (social) food retail businesses).
Connections with the institutional / policy environment	The institutional arrangements are vital for creating these opportunities, for example, the decision to allow more service stations along motorways created an opportunity. Similarly, knowledge of the rules to allow profits to be shared, employment to be targeted, identification of the strategic niche and business environment requires an in-depth understanding.
Internal/network governance arrangements	See below
Examples	The Gloucester Services – on either side of the M5 motorway near Gloucester, this service station is owned and run by a farming family business called Westmorlands, who stock the shops with produce from local farms, suppliers and food producers and craftspeople. The same suppliers are used in the catering facilities, which prepares all the food served on-site. The opportunity to build the service station came through an approach by the Gateway Trust, a charity in Gloucester, which had used charitable funding to purchase the land. Together Westmorlands and the Gateway Trust have formed a partnership that funds a network of local trusts and provides employment for people from local communities.
BM references	https://www.gloucesterservices.com https://www.gloucestershiregatewaytrust.org.uk/
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