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

<table>
<thead>
<tr>
<th>BM name</th>
<th>Local Food Hub Retailing</th>
</tr>
</thead>
</table>
| **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:  
• 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:  
• The relatively high prices of products can make it appear socially exclusive |
<p>| <strong>Rural-urban synergies</strong> | 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. |</p>
<table>
<thead>
<tr>
<th>Connections with labour market and employment effects</th>
<th>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.</th>
</tr>
</thead>
</table>
| Enabling factors | - 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 | - 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.gloucestersistances.com](https://www.gloucestersistances.com)  
[https://www.gloucestershiregatewaytrust.org.uk/](https://www.gloucestershiregatewaytrust.org.uk/) |
| Name | Matthew Reed |
| Date | 31/03/2020 |

ROBUST receives funding from the European Union’s Horizon 2020 research and innovation programme under grant agreement No 727988.

The content of this publication does not reflect the official opinion of the European Union. Responsibility for the information and views expressed therein lies entirely with the author(s).