

**'EAT TO GROW!'**  
**EU Funding for the Food & Drink Sector**

**19<sup>TH</sup> JUNE 2014 PERA BUSINESS PARK, MELTON MOWBRAY**

**REPORT TO DELEGATES**

**July 2014**



**EUROPEAN UNION**  
Investing in Your Future

European Regional  
Development Fund 2007-13



**East Midlands**  
**Councils**

## **Contents**

1. Background
  2. Key issues from the presentations
  3. Key issues from the Q&A session
  4. Key issues from the roundtable discussion
  5. Next steps
- Appendix 1: Event agenda
- Appendix 2: List of registered delegates

## 1. Background

1.1 East Midlands Councils (EMC), with support from Nottingham Trent University and Climate East Midlands, has been part-funded through ERDF technical assistance (PA3) to develop a 'Socio-Economic Framework' to inform the development of the 2014-2020 EU Structural Fund Programme. The Framework has two main objectives:

- To provide a strategic context within which LEPs across the East Midlands can develop and finalise local EU Investment Plans by January 2014; and
- To support the case made by LEPs to secure and retain proposed 'notional' allocations of EU funding for the period 2014-20.

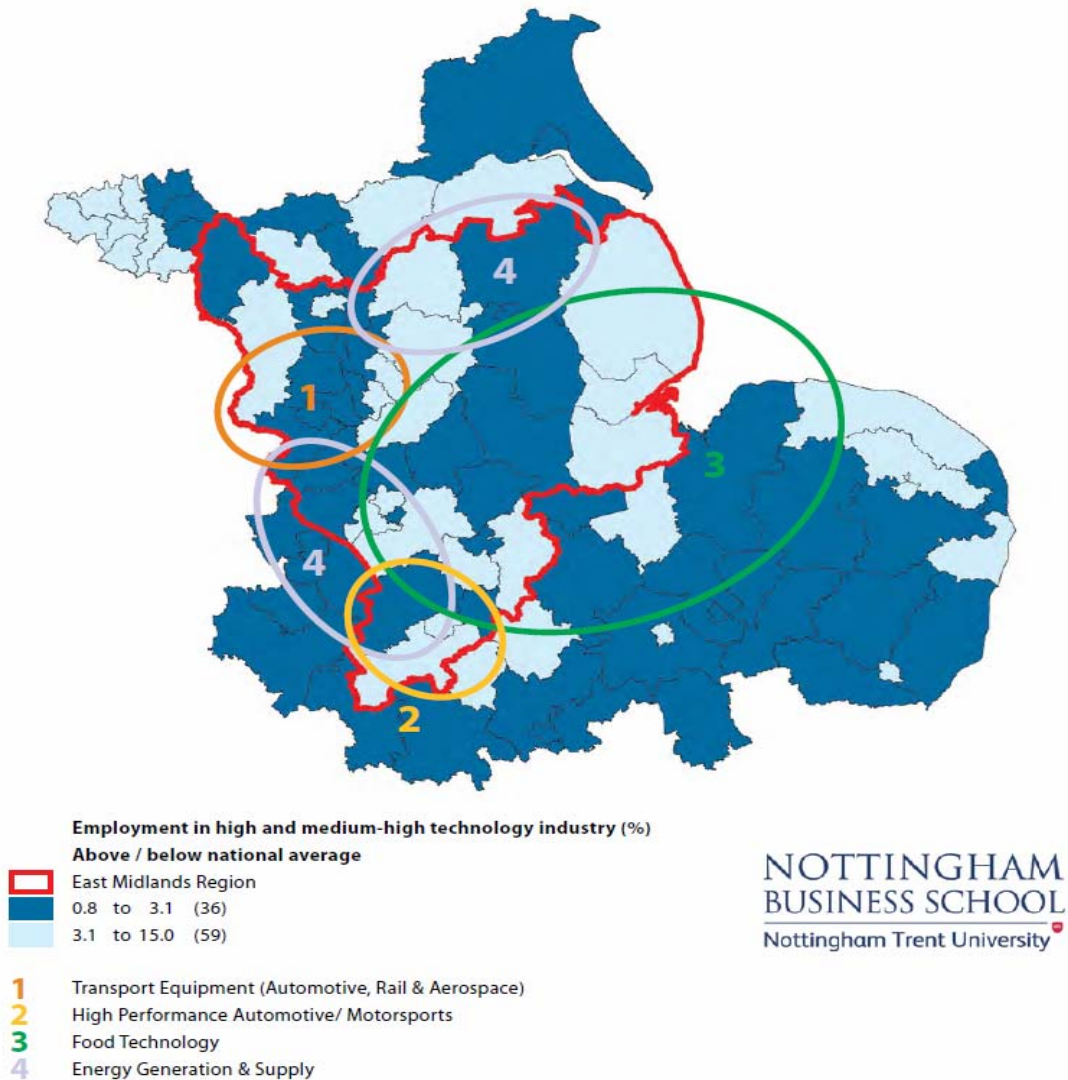
1.2 The framework, entitled [Meeting Need/Realising Opportunity](#) was published in December 2013. It identifies investment opportunities at both sub-regional and regional level that will help maximise the economic impact of European investment across the East Midlands. It aims to ensure that a future structural fund programme reflects the needs of the local economies of the East Midlands, with strong alignment between the activities of local partners and objectives of the programme.

1.3 The Framework identifies a number of opportunities for co-ordinated action across LEP boundaries which have the potential to deliver projects with strategic impact. Key opportunities include the following sectors or clusters (also highlighted in the diagram below):

- **Advanced Manufacturing (Transport Equipment):** There is a strong cluster of transport equipment companies across the south of Derbyshire, the north and west of Leicestershire and stretching across to the West Midlands, which also has clear links to the emerging low carbon sector. There is considerable potential for LEPs in these areas to develop joint initiatives that will further boost investment, stimulate local supply chains and ensure that specialist skills are developed and maintained.
- **Advanced Manufacturing (High Performance Engineering):** Northamptonshire is home to a world class motor sport and high performance engineering cluster, which also stretches to Milton Keynes in the south (where F1 champions Red Bull are based) and into Warwickshire in the west. There are opportunities for collaborative approaches between LEPs that will help to maintain and develop this specialised and highly competitive sector.
- **Energy Generation & Supply:** There is a strong and growing renewable energy sector based around the Humber, along with longstanding expertise in power generation and supply along the Trent Valley and in Lincoln, and in parts of the southern Derbyshire, Leicestershire and the West Midlands. There is considerable scope for LEPs to work together to support major investors, stimulate local supply chains and develop better linkages between the low carbon and traditional energy generating sectors.

- Food Technology:** Food production is a traditional strength for much of southern Lincolnshire, the Rutland and Melton areas and large parts of the east of England. Although not generally viewed as an innovative sector, there are strong links between food producers and both commercial and academic based research institutions which could be further enhanced by joint LEP action. There is also scope to develop synergies with the future Rural Development Programme.

### Opportunities for Collaborative Activity



NOTTINGHAM  
 BUSINESS SCHOOL  
 Nottingham Trent University

1.4 In order to promote the development of strategic projects in these areas, a follow-on programme of seminars is being taken forward by EMC in partnership with relevant industry bodies. The first such event, entitled 'Fast Track for Growth', aimed at the midlands rail engineering sector, took place on the 26<sup>th</sup> February at the Roundhouse in Derby. The second event

*Eat to Grow!*, was held on 19 June at Pera Business Park in Melton Mowbray, and was designed to stimulate collaborative projects in the food & drink sector that could be supported by the 2014-20 EU Programme, particularly where these cross LEP boundaries.

## **2. Key Issues from the presentations**

- 2.1 David Williams, from Butt Foods – a successful Bakery in Nottingham, welcomed everyone to the event. He explained that everyone would be encouraged to contribute but that comments would not be attributed to individuals in the final report of the event.
- 2.2 EMC's Director of Policy & Infrastructure, Andrew Pritchard, explained that following the establishment of a national 'EU Growth' Programme, LEPs were asked to develop EU investment strategies. Each LEP is to be given a 'notional allocation' of EU funding to prioritise to be reviewed against performance from 2017 onwards. Andrew's presentation is available at: [http://www.emcouncils.gov.uk/write/Andrew\\_Pritchard.pdf](http://www.emcouncils.gov.uk/write/Andrew_Pritchard.pdf)
- 2.3 The internationally competitive nature of the UK food & drink sector was then described by Tim Render, Deputy Director of Defra's Food Policy – Competitiveness and Growth Team. Tim described the sector's strengths to include product quality, branding and innovation and new product development, with the sector able to maintain productivity growth throughout the recession. However, challenges include variable levels of investment in the most efficient kit and increasing skills challenges. Tim's presentation is available at: [http://www.emcouncils.gov.uk/write/tim\\_render.pdf](http://www.emcouncils.gov.uk/write/tim_render.pdf)
- 2.4 Justin Brown, representing the Greater Lincolnshire LEP, outlined the benefits of the Lincolnshire food sector, which included high quality agricultural land and the production of quality local food supported by a food sector charter. Lincolnshire's food and drink sector also benefits from an active employer forum and has strong links to the further and higher education sector which includes a technology centre and water technology school. Justin's presentation is available for download at: [http://www.emcouncils.gov.uk/write/Justin\\_Brown.pdf](http://www.emcouncils.gov.uk/write/Justin_Brown.pdf)
- 2.5 The next presentation was from Paul Sheppard and Andrew Collinson, iNET Advisors from the Food and Drink iNET – a regional innovation network originally developed by the East Midlands Development Agency (*emda*) (see page 7 for further details). A number of iNET supported projects were described including an Innovation Grant for Butt Foods, a collaborative R&D project between Nottingham Trent University and the University of Lincoln to reduce food waste and kill bugs, and support to brewers in exporting beer to China. The presentation on the work of the

Food & Drink iNET is available at:

[http://www.emcouncils.gov.uk/write/Paul Sheppard and Andrew Collinson.pdf](http://www.emcouncils.gov.uk/write/Paul_Sheppard_and_Andrew_Collinson.pdf)

- 2.6 The final presentation outlined existing business support opportunities available from the Manufacturing Advisory Service (MAS) (see page 7 for further details). James explained that MAS offers grants to manufacturing SME's (advice and reviews are also available to large enterprises) in England with at least one over-arching objective: Driving business growth; developing advanced manufacturing capabilities; creating high value jobs; improvement of resource efficiency (carbon footprint). James' presentation can be seen at [http://www.emcouncils.gov.uk/write/James Bosworth.pdf](http://www.emcouncils.gov.uk/write/James_Bosworth.pdf)

### **3. Key issues from the Q&A session**

The key points/questions to emerge from the Q&A session following the presentations included:

- When referring to 'innovation' in the food & drink sector it is important to be clear whether this is referring to innovation of product, market or ideas or a combination of these. Lack of innovation in the sector is a major barrier to growth.
- Organisations like MAS need to increase their profile and reach out to businesses who may not be aware of the services on offer.
- There is a greater need to get smaller businesses in the sector to work together more – rather than view others as rivals - and to draw on the expertise of the region's universities and business support organisations.
- 'B2B Networks' can be successful if trust is built up and maintained. Organisations can be from diverse backgrounds and still benefit from the sharing of knowledge and experiences.
- Importance of support organisations making initial contact with individuals personally was highlighted, rather than simply sending out an email which is often ignored. LEPs are well placed to bring people together.
- A strategy to spot the winning business will be needed and help raise the region's ambition to be the food powerhouse of the UK.

### **Food and Drink iNet**

The Food and Drink iNet (innovation network) was established in 2008 to coordinate specialist support to stimulate innovation in the food and drink industry. Innovation is a means of increasing profitability through the successful exploitation of new ideas and is a powerful tool for maintaining competitive advantage.

Working at the heart of the food and drink sector the iNET has developed an effective network and can provide funding to bring businesses' ideas and academic expertise together to drive innovation.

In its first three years the Food and Drink iNet has supported more than 80 small and medium enterprises (SMEs) with grants for innovation projects and delivered over 1,000 instances of one-to-one tailored business advice and guidance.

Part-funded by the European Regional Development Fund (ERDF), the Food and Drink iNet is managed by a consortium, led by The Food and Drink Forum and including, Nottingham Trent University, the University of Lincoln, and the University of Nottingham. It is based at Southglade Food Park, Nottingham, with advisors covering the East Midlands region.

For more information contact: [info@foodanddrink-inet.org.uk](mailto:info@foodanddrink-inet.org.uk)

### **Manufacturing Advisory Service (MAS)**

The Manufacturing Advisory Service (MAS) is an impartial and practical business support service for manufacturing businesses in England – including the food sector; helping them improve and grow.

MAS has an 80 strong team of expert Manufacturing Advisors on the ground working with management teams to plan long-term strategies, improve processes and bring new products to market, helping to develop activity and capacity in supply chains. MAS growth products typically provide 66:1 return on initial investment. Review and advice is free.

For more information contact: [infoadvice@mymas.org](mailto:infoadvice@mymas.org)

#### 4. Key issues from the roundtable discussion

4.1 The group was asked to address three questions:

- What are the barriers to growing the Food & Drink Sector across the East Midlands?
- How should we work together to overcome these barriers?
- How best can we take forward collaborative projects that will have a strategic impact?

4.2 The outcome of the discussions are summarised below:

What are the barriers to growing the Food & Drink Sector across the East Midlands?	How should we work together to overcome these barriers?
Support is available to the sector but there is a lack of awareness and too many un-coordinated trade bodies.	<ul style="list-style-type: none"> <li>• Need to run similar events better targeted to trade bodies.</li> <li>• Support needs to be tailored to business needs. Generic courses are less successful, particularly for larger businesses.</li> <li>• Need to break down barriers preventing SME participation and membership of relevant trade body (i.e. look at reducing costs to SMEs).</li> <li>• Groups will only be a success if members work together and share experiences in a friendly, supportive and open forum – access to money shouldn't be seen as the only goal but Groups need a purpose to be successful.</li> <li>• There are lessons to be learnt from the charity sector which combines developing social purpose alongside economic growth.</li> </ul>
A number of footloose multinational companies can leave local areas vulnerable.	<ul style="list-style-type: none"> <li>• Need to improve skills, broadband infrastructure, access to markets including transport improvements to maintain competitive advantage.</li> <li>• Companies are however beginning to return to the UK due to its flexible workforce and lower costs than some EU competitors. This should be a priority for LEPs to focus on (MAS has reported back to Government on some of the barriers to (re)investing in the UK).</li> </ul>
SMEs have too little focus on growing their businesses.	<ul style="list-style-type: none"> <li>• The role that growth plays in securing the future of businesses needs to be understood.</li> <li>• Investment in new equipment needs to go hand in hand with business growth.</li> <li>• Support services need to develop skills to pick out larger SMEs that are keen to increase growth.</li> </ul>
Micro businesses in particular do not have a single barrier to growth, rather a number of barriers they	<ul style="list-style-type: none"> <li>• Systems need to be developed to make the linkages between the sector, academic institutions and the infrastructure needed to bring</li> </ul>



face in their day-to-day business.	<ul style="list-style-type: none"> <li>• It is wasteful of resources to pursue R&amp;D on an individual company basis.</li> <li>• Barriers to growth are different at each stage in the growth cycle. This must be recognised.</li> </ul>
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<b>How best can we take forward collaborative projects that will have a strategic impact?</b>
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| <ul style="list-style-type: none"> <li>• D2N2 Strategy provides a good example of a range of business support activities which could be considered elsewhere - focuses on skills, mentoring, low carbon etc.</li> <li>• LLEP Strategy discusses clusters, costs, quality, skills, standards of living and infrastructure.</li> <li>• Lincolnshire's Strategy focus on competitive advantage in the food and drink sector.</li> <li>• Consider commissioning a piece of work to look at the common themes as well as differences between LEP strategies.</li> <li>• Less ERDF funding will be available in the future to provide incubation units for new business. Need to help new starts find alternatives. Waiting lists for existing units are growing.</li> <li>• Seek to persuade property search website to tailor their search facilities to help those searching for food &amp; drink premises.</li> <li>• Need to involve local authority planning officers at all stages.</li> <li>• Local Authorities and LEPs have a key role to play in addressing barriers to growth including poor broadband infrastructure and limited access to export markets.</li> <li>• EMC and the FE/HE sector have a range of relevant expertise around business development and planning and in bring the right people together. A region wide co-ordinated ERDF bid under the next Programme drawing on these skills, along with those of the LEPs, iNET, MAS and the Food &amp; Drink Forum could make a major impact on the sector.</li> <li>• LEPs should also put aside their differing priorities and area wide policies to work together to jointly commission projects to support the sector.</li> <li>• A Food &amp; Drink Centre of Excellence should be seen as the ultimate goal of joint working.</li> <li>• Each university in the region has its own specialism which should be built upon. Discussions on reforming the university network should take place – the existing Food &amp; Drink Forum is a model of good practice. A piece of work looking at the various food and drink courses offered by the region's colleges and universities would provide a boost for their work as well as the industry. A further piece of work on what we are doing around food science would also help with workforce knowledge and skills.</li> <li>• But...build on the existing strengths in the food and drink sector, particularly in the region, which are seen as world leading.</li> <li>• Opportunities should also be taken to develop the supply chain and support farmers who are too often working in isolation.</li> <li>• The big challenge remains taking forward research and turning it into action on the ground. A large body of work into the regional food and drink sector was undertaken by the former Regional Development Agency. This remains available and should not be repeated unless there is a clear need.</li> <li>• Similarly, existing support structures e.g. the Food &amp; Drink Forum, should be utilised wherever possible rather than developing new structures and programmes. Although</li> </ul> |
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academics and business owners have different goals and want to see different outcomes, there are good examples in the region where bringing these people together has resulted in positive action.

- More focus should go on expanding food and drink exporting in the region. SME's may need mentoring to achieve this – Pera offers support in this area.
- Also consider setting up an annual East Midlands Food & Drink Conference to bring the main support organisations together with the manufacturers and distributors.
- Plans should be future proofed so agendas can be taken forward in the event of a change of government in 2015.

## **5. Next steps**

- 5.1 There is clear support for an integrated sector support initiative which could help small and medium sized food & drink companies across the Midlands drive growth through investment and innovation. This approach would work best as a joint initiative by the LEPs/Local Authorities, universities and lead support organisations such as the iNET, and itself could be eligible for EU support under the next Structural Fund programme.
- 5.2 The EU Strategic Investment Frameworks prepared by LEPs were submitted to Government at the end of January this year. At present, it seems likely that the first call for projects under the 2014-20 EU Structural Fund programme will not be made until the end of 2014 at the earliest. Although not ideal, this delay provides a 'window of opportunity' for the food & drink sector across the Midlands to develop a collaborative growth and innovation initiative that could have a real strategic impact.

## Appendix 1: Event agenda



### **EAT TO GROW!**

**12.30pm to 3.30pm Thursday 19 June 2014  
(Lunch available from 12.00pm)**

**@ Pera Business Park, Nottingham Road, Melton Mowbray,  
Leicestershire LE13 OPB**

#### **AGENDA**

- 12: 30 Welcome and Introductions (all)
- 12:35 Objective for the session: Andrew Pritchard, EMC
- 12:45 National Priorities for the Food & Drink Sector: Tim Render, Defra
- 13:05 A Local Perspective: Justin Brown, GLLEP
- 13:15 Collaboration in Action: Andrew Collinson & Paul Shepherd, Food & Drink INET
- 13:25 Existing Business Support Opportunities: James Bosworth, Manufacturing Advisory Service (MAS)
- 13:35 **Q & A**

#### **Comfort Break**

- 14:00 Roundtable discussion (all):
  - What are the key barriers to growing the Food & Drink Sector across the East Midlands?
  - How should we work together to overcome these barriers?
  - How best can we take forward collaborative projects that will have a strategic impact?
- 15:15 Next Steps (Chair)
- 15:30 Close

## Appendix 2: List of registered delegates

<b>Authority/Organisation</b>	<b>Name</b>
Butt Foods	David Williams
Corby Borough Council	Ged McHugh
D2N2	Lindsay Allen
Defra	Tim Render
Defra RDPE Delivery Team	Melanie Fischer
East Midlands Councils	Andrew Pritchard
East Midlands Councils	Peter Williams
East Northamptonshire Council	Su Davies
Food & Drink Federation	Fay Davies
Food & Drink iNet	Andrew Collinson
Food & Drink iNet	Paul Shepherd
Food & Drink Forum	Adrian Pryce
GLLEP	Justin Brown
Leicester City Council	Jiva Odedra
Malt Cross Trust	Rebecca Manship
Moulton University	Gerald Davies
MAS	James Bosworth
Pera Consulting	Peter Fredrick
Planet Leicester Bakers	Michelle Stratford
University of Derby	Dr Sarah Rawlinson
University of Lincoln	Jodi Schofield
University of Lincoln	Professor Val Braybrooks
University of Lincoln	Dr Moses Ajayi
University of Nottingham	Steve Upcraft