



SAC 
CONSULTING

SCOTLAND
FOOD & DRINK
PARTNERSHIP

REGIONAL FOOD GROUP GUIDE



CONTENTS

Introduction	3
<hr/>	
Regional Groups	4
What is a Regional Food Group (RFG)?	
<hr/>	
Tips for a successful network	6
What makes a Regional Food Group successful?	
<hr/>	
Governance	10
Governance matters	
<hr/>	
Constitution	11
A constitution and articles of association	
<hr/>	
Funding	12
Funding sources	
<hr/>	
Process Map	20
<hr/>	
Help and resources	25



WELCOME TO SCOTLAND'S **REGIONAL FOOD GROUP GUIDE**

Whether you're an existing Regional Food Group (RFG) or are thinking about setting up one in your area, this document is for you.

It's a handy reference for everything from the secrets of success to funding and best practice examples.

Scotland Food & Drink and SAC Consulting are proud to be supporting Scotland's diverse network of groups; from the Highlands and Islands to the South West, East Lothian and Tayside - all working tirelessly to develop and promote their thriving local food and drink economy and reputation and contributing to the sector's national recovery plan and growth.

If there is anything else you would like to see from the guide, please let us know (details are at the end).



WHAT IS A REGIONAL FOOD GROUP?

Food and drink is one of the largest industry sectors in Scotland and regional food is so important to Scotland.

There are currently 19 RFGs across Scotland and they bring together producers, hospitality and tourism businesses, independent retailers and markets and other people or organisations, all interested in growing the local food economy.

Each group works in its own way, but they're all looking to put local food and drink on the map and drive growth. RFGs can be formal or informal made up of businesses, volunteers and stakeholders, and are specific to their region. Their activities include promoting regional food and encouraging purchasing of local produce; delivering food tourism projects and events; digital and e-commerce projects; problem-solving on local issues from distribution to upskilling and so much more.

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REGIONAL GROUPS

5

Collaborative thinking and acting, encouraged by strong leadership, is a fundamental principle of the groups. Working with other like-minded stakeholders, from local authorities and tourism bodies to local business support organisations, sharing ideas and insight; delivering joint plans; accessing funding and making things happen together.

And working together as a network of groups, countrywide, is also key to success and something that Scotland Food & Drink has been actively fostering. The benefits of sharing experience, inspiration and support cannot be underestimated – improving confidence, saving time and resource and providing valuable learning opportunities.

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WHAT MAKES A REGIONAL FOOD GROUP SUCCESSFUL?

Vision

Great teamwork requires a great vision, a clear sense of purpose and co-operation from all the parts to focus on a larger goal (sometimes in compromise to their individual goals.) Start with the end in mind – what does success look like for the group, for the organisations or for the bodies funding the group?

Vision helps keep the group on track and needs to be accompanied by clear objectives, goals and milestones. But above all it must be accompanied by action (see Strategy /Action Plan).

Values

A clearly defined set of principles provides a solid foundation that can be used to test ideas or changes in direction. It unites all the individual members under one cause.





RFGs thrive with leaders who can inspire, make connections, open doors and make sure the objectives are being delivered.

Leadership

The right type of leadership is critical for the success of a RFG. The right people need to be involved; those that are aligned with the vision, believe in the values, and want to see the group succeed. Crucially these people must have the required skills, people, industry and market leadership, grant/funding expertise, marketing/promotional experience, events experience, and general administration. This may not be one person, but a few people who join together to create a Board. RFGs thrive with leaders who can inspire, make connections, open doors and make sure the objectives are being delivered.

Strategy/Action Plan

The governors, board or group leadership must agree on a clear strategy for the group. This strategy must be informed by the market and industry. It should be agile, and able to change course as circumstances shift. The strategy should have a clearly defined action plan that is periodically reviewed and adapted in line with industry changes. This allows for new members or stakeholders to clearly understand where the group aims to go and how it plans to get there.

Clear SMART goals

Clear short, medium, and long-term goals are important. These must reflect local industry needs and aspirations and be aligned to market opportunities. When drafting your goals, try to answer the five 'W' questions: What do I want to accomplish? Why is this goal important? Who is involved? Where is it located? Which resources or limits are involved? The goals should also be measurable so that you can track your progress and stay motivated.

A measurable goal should address questions such as:

How much?

How many?

How will I know when it is accomplished?

Your goals also need to be realistic and attainable to be successful. In other words, they should stretch your abilities but still remain realistic.

An achievable goal will usually answer questions such as:

How can I accomplish this goal?

How realistic is it, based on other constraints, such as financial factors?

Successful goals must be relevant. Ensure that your goals matter to you and your vision, and that they also align with other relevant goals. A relevant goal can answer 'Yes' to these questions: Does this seem worthwhile? Is this the right time? Does this match our vision and needs? Is it applicable in the current socio-economic environment?

And the final consideration for setting successful goals - is it time-bound? Every goal needs a target date, so that you have a deadline to focus on and something to work toward.

A time-bound goal will usually answer these questions:

When?

What can I do six months from now?

What can I do six weeks from now?

What can I do today?



A successful group must establish a way to be self-sufficient to deliver value to their members.

Measuring success

It's critical that groups have a clear measurement and evaluation plan in place from the outset, with objectives and accompanying key performance indicators (measures of success). This is vital to demonstrate value to members and funders. Being able to tangibly demonstrate success will help groups attract and retain members and secure future funding.

Scotland Food & Drink and SAC Consulting can help groups develop their measurement and evaluation plans.

Future-proofed funding

A successful group must establish a way to be self-sufficient to deliver value to its members. Value may come in the way of promotional activity, events, upskilling and training, pooled resources, hub activity, business development and more. In order to continue to thrive, the group must be financially secure and be able to comfortably cover any expenditure it may incur through, for example, staffing, overheads and project delivery costs. See the 'Funding Page' for more information.

GOVERNANCE MATTERS

Governance of a group is extremely important. There are broad benefits of good governance:

- **Culture** — creating a culture of excellence
- **Reputation** — delivering good products or services which in turn leads to good business performance
- **Clarity** — all organisations have issues, problems, and nonconformities. An organisation with good governance can isolate these, reducing impact on the market and very often contain the risk internally
- **Financial sustainability** — reducing the threat of safety, legal, performance and warranty concerns that can severely impact an organisation and its stakeholders



CONSTITUTION

A CONSTITUTION AND ARTICLES OF ASSOCIATION

A company's 'constitution' is defined under the Companies Act 2006 (CA 2006) as including the company's articles of association, and any resolutions and agreements affecting a company's constitution. The CA 2006 definition of 'constitution' is not exhaustive and refers to other documents forming part of the constitution of a company, including: the certificate of incorporation and any certificates of incorporation on change of name, a current statement of capital (or statement of guarantee for a company limited by guarantee), and any court orders or enactments altering the company's constitution or sanctioning a compromise, arrangement, reconstruction, or amalgamation

Before 1 October 2009, the memorandum of association was an integral part of a company's constitution, but its constitutional significance has been reduced by the CA 2006.

A company's articles of association are its main internal governing document, and an integral part of a company's constitution. The articles set out the rules on how



the company is managed, when meetings are held, and decisions are made by directors and shareholders.

There is no right or wrong way for a RFG to be set up but you should always seek advice and support from a solicitor and accountant when considering the options.


FUNDING SOURCES

Membership

Many groups look to fund themselves by charging a membership fee.

Membership models allow the group to put resource to the goals of the group, but can also resource a position for somebody to lead the activities. It allows the group to forecast their income and budget for the year ahead. It provides certainty to the members that the group will exist regardless of the public funding landscape or the people leading it. And it's also a way of encouraging business involvement.

Members must be able to clearly see the value from group membership and this should be reviewed regularly. This value is linked to clear goals that link back to an agreed strategic plan. It is critical that membership packages clearly articulate relevance, benefits, eligibility and criteria and the fee structure is simple. Clearly articulated membership benefits will reflect both regional business needs and market opportunities.



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FUNDING

13

The process of application needs to be clear and simple. A basic application form provides a method of both explaining the 'offer' and collecting information on the applicant business. The method or payment should be clearly defined and needs to be timely – cash flow and managing administrative time is important, and aged/ bad debt needs to be avoided.

Fee structures will vary and will depend upon the perceived value group membership brings. Often the fee structure is determined by the size of the business – either number of employees or turnover. Fee level may be determined by the 'type' of business, and sometimes businesses may be associates or patrons rather than members if they are more 'peripheral' to mainstream activities. Payment terms would be annual, quarterly, or monthly; with annual reducing administration and providing a more settled financial basis.

FUNDING

Sponsorship

Sponsorship models rely on donations from one or multiple donors. Groups may be sponsored by an organisation, charity or person that is invested in the food and drink industry in the area.

Some sponsorship models are 'patronages' where the sponsor is recognised by the group, or in their communications, for being responsible for their activities.

Sponsorship models may also be multi-sponsor format. An entire community or group of likeminded individuals may choose to make multiple small sponsorships to allow the group to thrive.

The main difference between membership and sponsorship is membership offers a benefit to the members for their fee whilst sponsorship is usually paid by an entity that does not benefit from the activity of the group. Sponsorship is also not necessarily a fixed amount.

The benefits of sponsorship are financial and other types of support from agencies, entities or individuals who support your goals and believe in your purpose.



The main drawbacks of sponsorship are the inability to forecast how much sponsorship you may receive, and the length of time that sponsorship will be in place. It is not futureproofed.

FUNDING

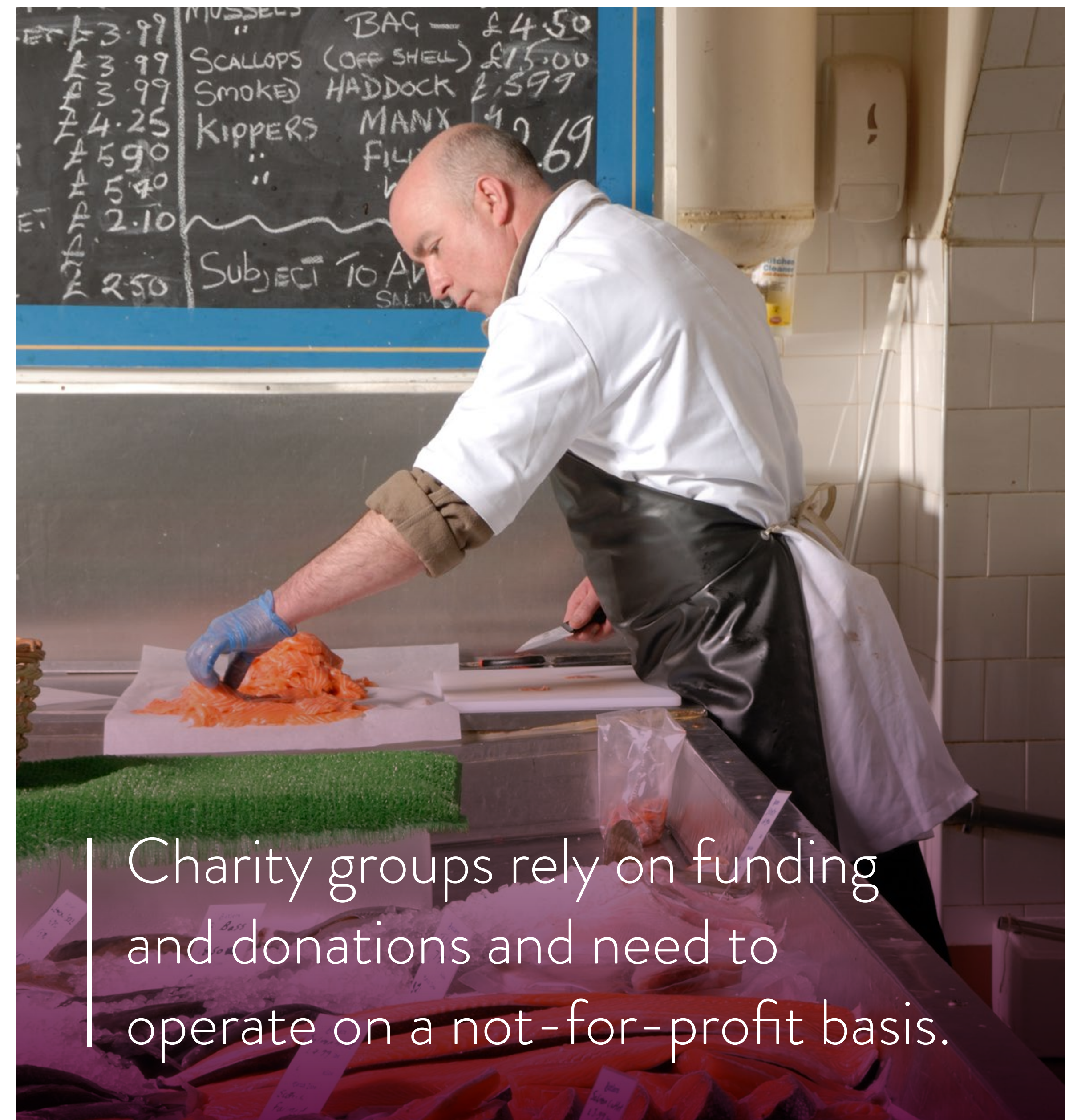
Charity / Third sector organisations / Community Interest Companies (CIC)

Some RFGs are formed either by an existing charity, or to support an existing charity; or as an entirely new charitable enterprise. These groups are more likely to tackle issues like food poverty, malnutrition and food education. These are groups which serve a benefit to society, greater than the benefit to the businesses or people involved.

Charity/Third Sector groups can attract funding through fundraising with the public, public funding through local authorities and government funding pots.

Some of these groups will be formed as Social Enterprises, others as CIC (community interest company) and some will be purely charitable SCIO (Scottish Charitable Incorporated Organisation – published in OSCR – Scottish Charity Regulator)

Charity groups rely on funding and donations and need to operate on a not-for-profit basis. This means that fundraising is always required, and much like in the sponsorship model, the future is never certain, and activities and developments usually need to be funded on an activity-by-activity basis. This can mean a lot of administration and work into applying for many small grants throughout a year and needs a lot of maintenance and patience to manage.





Local Authority

Many Local Authorities (Councils) support the formation of RFGs. This tends to be managed by the economic development department but can also crossover with tourism.

The local authority may designate a member of staff to govern or lead the group, others will work with existing informal networks in the region to formalise a relationship and commercialise the offer. Usually, a local authority would contribute some resource (either funding or human) but would expect to be involved in the decision-making process, activities and general governance of the group, and to be involved in the objective setting and deliverables of the group.

The local authority is unlikely to provide all the funding required by a group to undertake its activities, and so usually this model is seen in combination with another funding model, whether membership/sponsorship/charity or public funds.

FUNDING

DMO

DMO (Destination Marketing Organisation) can be a great ally to groups when their aims align with tourism strategies. Examples of DMOs are VisitScotland, Visit Aberdeenshire, Visit Shetland etc. The DMO is originally funded by government and then puts part of its budget aside to support the group that is promoting their destination.

As with Local Authority Funding, usually a DMO would have a representative on the board or involved with the governance of the group. Another similarity is DMO funding is usually not sufficient to fully cover the groups requirements, requiring them to adopt another funding model.

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Scotland has local, regional and national organisations who may have funding available to support the development of groups.

FUNDING

Other public funding (Industry Body/Enterprise Agency)

Scotland has local, regional and national organisations who may have funding available to support the development of groups. An industry body, such as Scotland Food & Drink or SAC Consulting, may have funding available through different initiatives, or projects. This funding is usually time-limited and requires a RFG to be on top of what is happening in industry. Enterprise Agencies occasionally launch initiatives supporting ‘local food and drink’, Scottish Enterprise, Highlands and Islands Enterprise and the South of Scotland Enterprise agencies are easily contactable through a local Business Gateway office.

There may well be a Regional Business Association or Enterprise Organisation operating in your region that may wish to financially support a collaborative group of businesses to achieve commercial success. A good route to find out about some of these organisations would be through the local authority’s enterprise team.

As with other grant/public funds, the longevity of this funding is never guaranteed, it may be lots of small one-off grants, or an ongoing human resource to run the group.

FUNDING

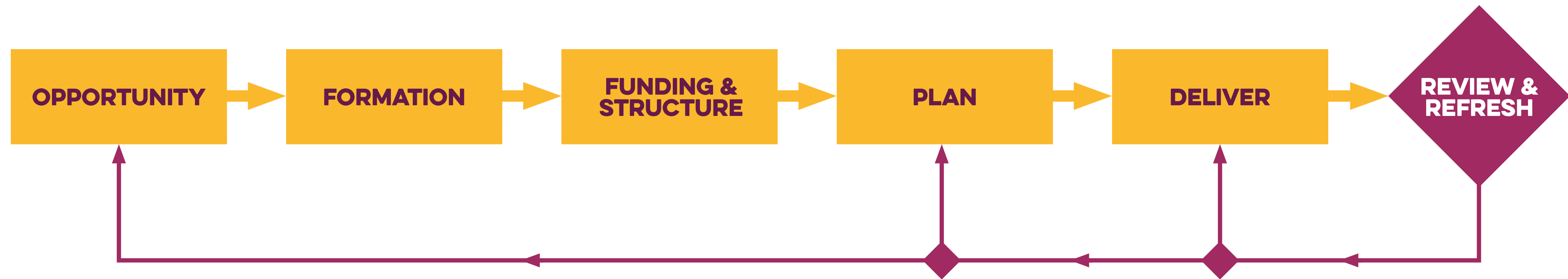
Scotland Food & Drink

Scotland Food & Drink, launched a £250k, 12-month fund in September 2020 to support the development of Scotland's RFGs. Supported by the Scottish Government, the fund is, at the time of writing, benefiting 19 groups by resourcing coordinator posts, together with match-funding by local authorities or other partners. It aims to create an active network of regional ambassadors who work in conjunction with local authorities to promote regional food and drink and tourism strategies and deliver growth.

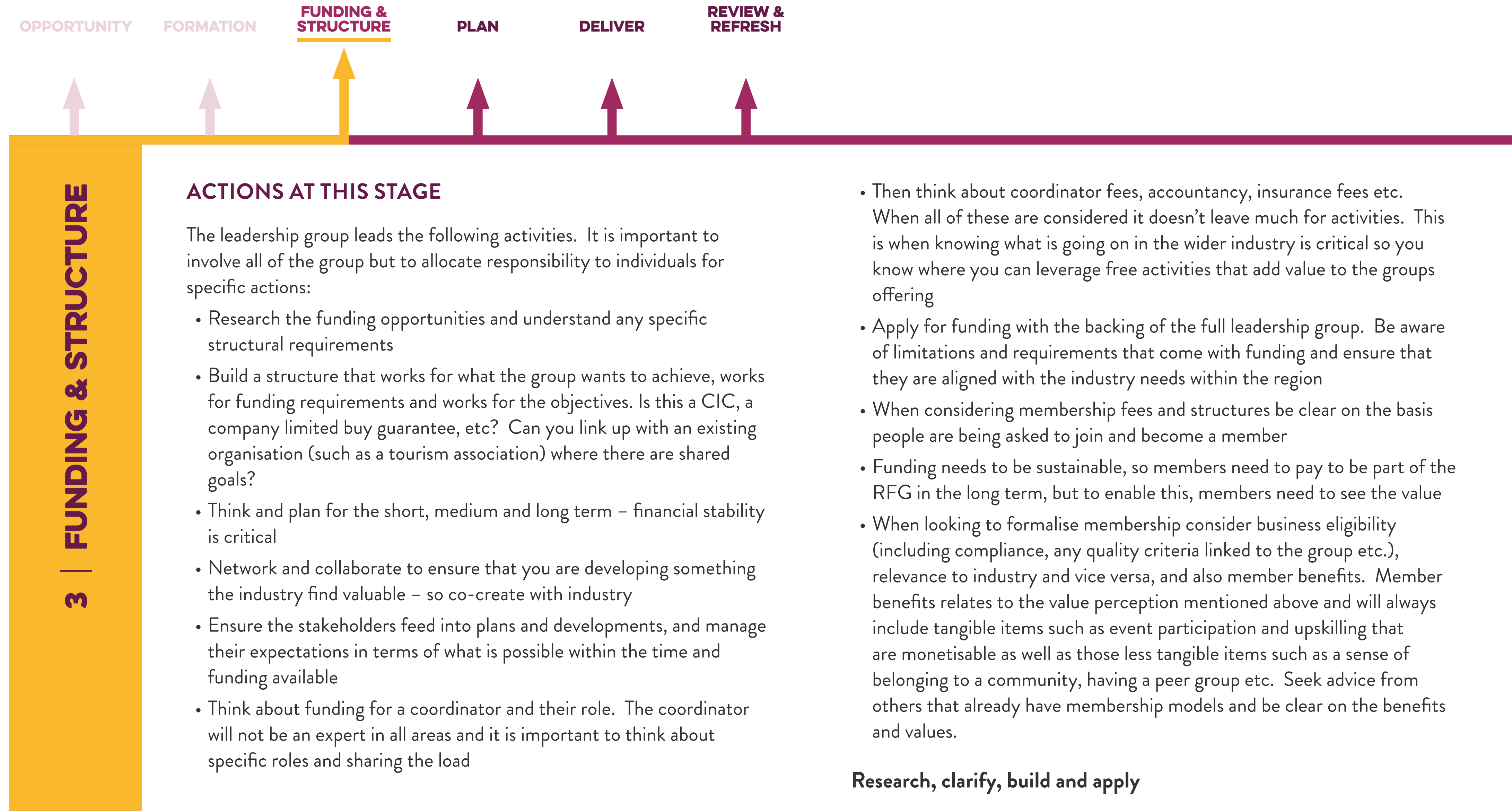
Scotland Food & Drink, launched a **£250k**, 12-month fund in September 2020 to support the development of Scotland's RFGs.



There are typically six key stages for the development of a successful RFG. Not every group will identify with these stages, but every group will recognise the activities within them.







3 | FUNDING & STRUCTURE

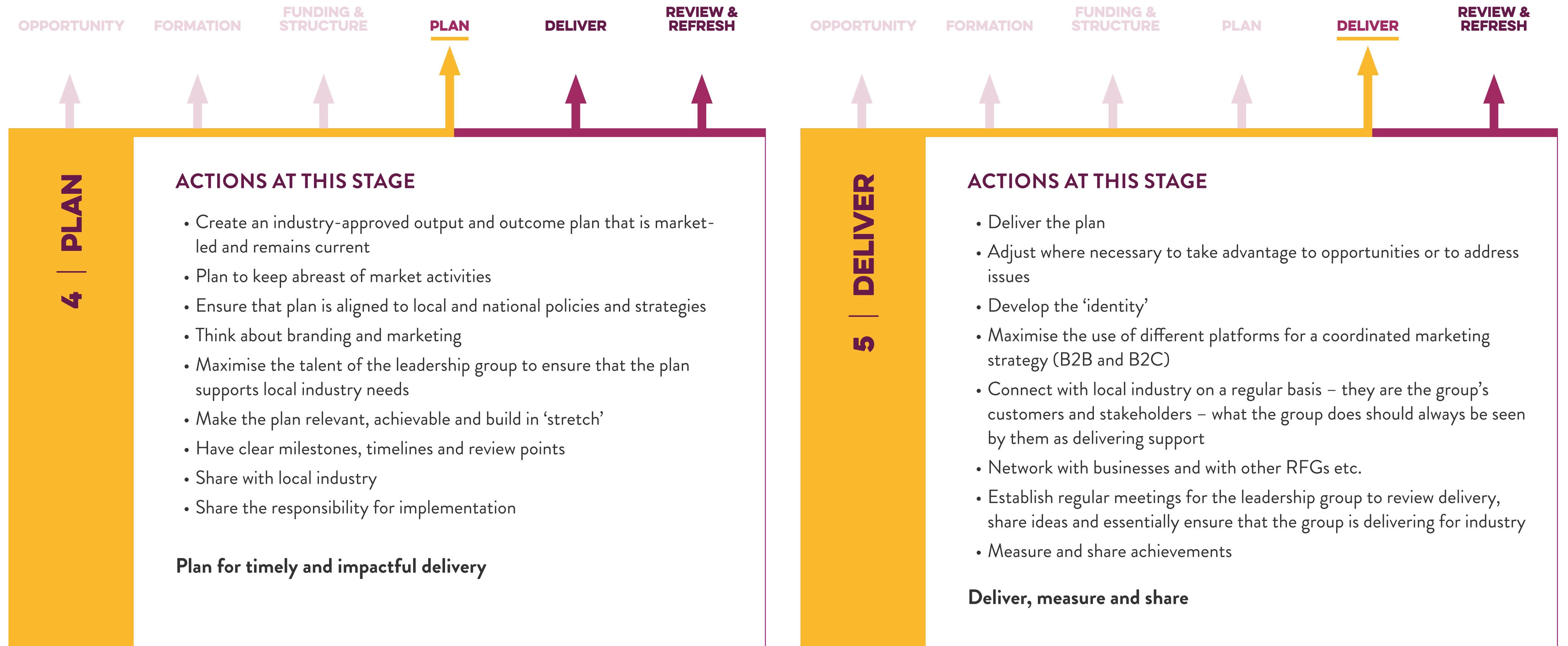
ACTIONS AT THIS STAGE

The leadership group leads the following activities. It is important to involve all of the group but to allocate responsibility to individuals for specific actions:

- Research the funding opportunities and understand any specific structural requirements
- Build a structure that works for what the group wants to achieve, works for funding requirements and works for the objectives. Is this a CIC, a company limited buy guarantee, etc? Can you link up with an existing organisation (such as a tourism association) where there are shared goals?
- Think and plan for the short, medium and long term – financial stability is critical
- Network and collaborate to ensure that you are developing something the industry find valuable – so co-create with industry
- Ensure the stakeholders feed into plans and developments, and manage their expectations in terms of what is possible within the time and funding available
- Think about funding for a coordinator and their role. The coordinator will not be an expert in all areas and it is important to think about specific roles and sharing the load

- Then think about coordinator fees, accountancy, insurance fees etc. When all of these are considered it doesn't leave much for activities. This is when knowing what is going on in the wider industry is critical so you know where you can leverage free activities that add value to the groups offering
- Apply for funding with the backing of the full leadership group. Be aware of limitations and requirements that come with funding and ensure that they are aligned with the industry needs within the region
- When considering membership fees and structures be clear on the basis people are being asked to join and become a member
- Funding needs to be sustainable, so members need to pay to be part of the RFG in the long term, but to enable this, members need to see the value
- When looking to formalise membership consider business eligibility (including compliance, any quality criteria linked to the group etc.), relevance to industry and vice versa, and also member benefits. Member benefits relates to the value perception mentioned above and will always include tangible items such as event participation and upskilling that are monetisable as well as those less tangible items such as a sense of belonging to a community, having a peer group etc. Seek advice from others that already have membership models and be clear on the benefits and values.

Research, clarify, build and apply



4 | PLAN

ACTIONS AT THIS STAGE

- Create an industry-approved output and outcome plan that is market-led and remains current
- Plan to keep abreast of market activities
- Ensure that plan is aligned to local and national policies and strategies
- Think about branding and marketing
- Maximise the talent of the leadership group to ensure that the plan supports local industry needs
- Make the plan relevant, achievable and build in 'stretch'
- Have clear milestones, timelines and review points
- Share with local industry
- Share the responsibility for implementation

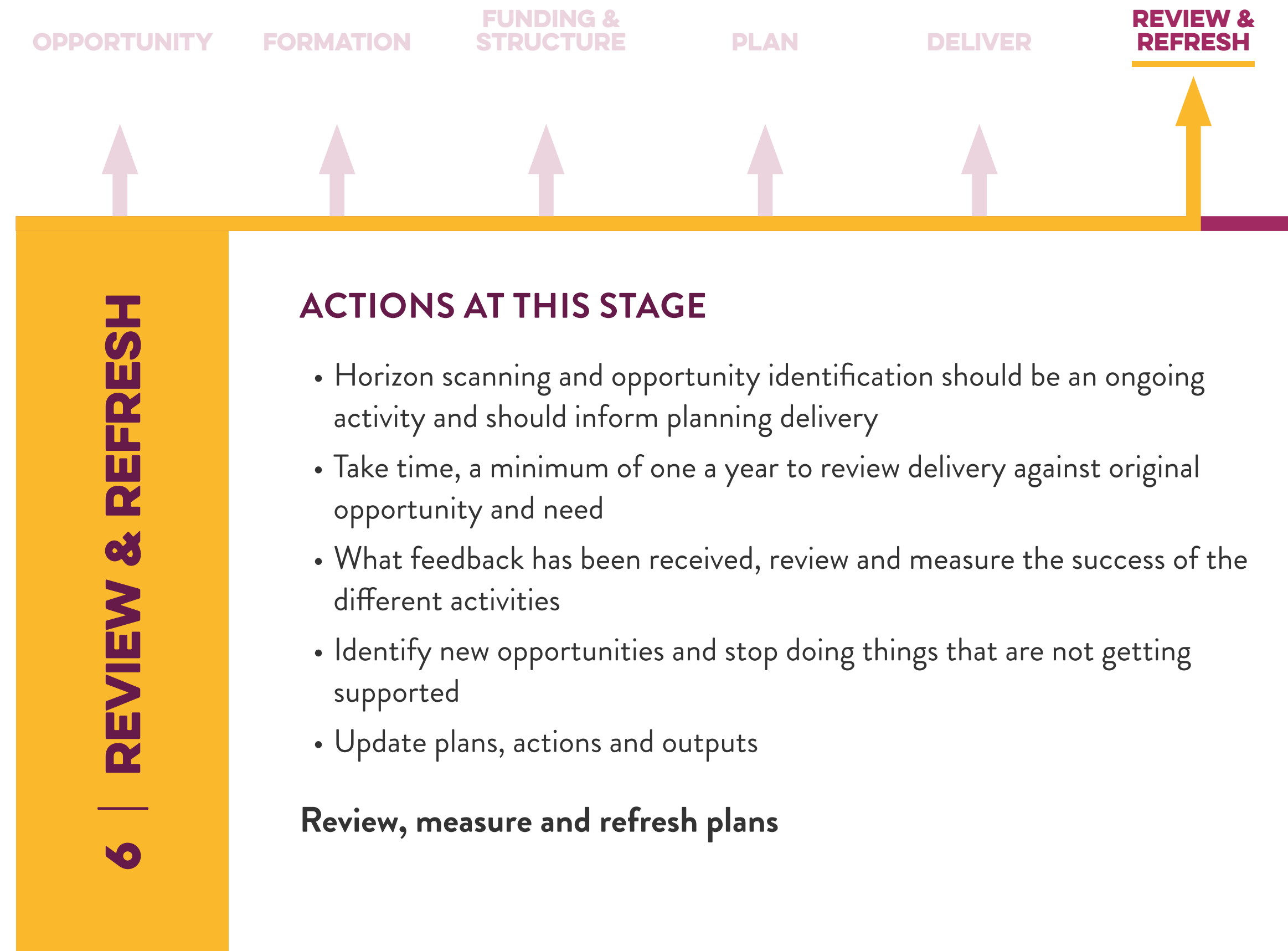
Plan for timely and impactful delivery

5 | DELIVER

ACTIONS AT THIS STAGE

- Deliver the plan
- Adjust where necessary to take advantage to opportunities or to address issues
- Develop the 'identity'
- Maximise the use of different platforms for a coordinated marketing strategy (B2B and B2C)
- Connect with local industry on a regular basis – they are the group's customers and stakeholders – what the group does should always be seen by them as delivering support
- Network with businesses and with other RFGs etc.
- Establish regular meetings for the leadership group to review delivery, share ideas and essentially ensure that the group is delivering for industry
- Measure and share achievements

Deliver, measure and share



HELP AND RESOURCES

- [Scotland Food & Drink](#)
Contact info, group info, case studies, national strategies and more
- Contact information:
Fiona Richmond, fiona@foodanddrink.scot
- [SAC Consulting Food & Drink \(SRUC\)](#)
Training Events, Funding info, contact details, 121 consultancy, webinars and strategy sessions
- Contact information:
foodanddrink@sruc.ac.uk
- [Promoting Local Food and Drink Action Plan](#)
- [Business Gateway](#)
Free business support, training, webinars and more
- [Funding and Grant Information](#)
(Scottish Enterprise area excluding HIE and SOSE)
- [Business Development & Advice](#)
(Scottish Enterprise area excluding HIE and SOSE)
- [Events and Training](#) (Highlands & Islands)
- [Business Support](#) (Highlands & Islands)
- [Business Support](#) (South of Scotland)
- [Scottish Business Support](#) (General)
- [Goal Setting](#)
- [Build a Vision](#)

