

Choosing the Right Ingredients: The Future for Food in Scotland

April 2008

Introduction

The Federation of Small Businesses is Scotland's largest direct member business organisation, representing almost 20,000 members. The FSB campaigns for an economic and social environment that allows business to grow and prosper.

We welcome the opportunity to participate in this discussion process as there are a number of areas where we feel that we have constructive comments to take the debate forward in areas such as procurement, the regulatory burden, the impact on the High Street and on the skills base.

Issues

Scotland has one of the worst health records in the developed world. This is not just bad for society in Scotland, it is also bad for business and the economy in general. Time off work due to preventable illnesses, associated with poor diet costs the Scottish economy millions of pounds every year.

By improving our diet as a nation, we will allow ourselves to live longer, be healthier and more productive. It should also improve perceptions of Scotland abroad, where we have a poor reputation for our cuisine. This is unfortunate, given the high regard in which much of Scotland's produce is held abroad.

Indeed, in the *Index of Success* (2007), the FSB stated that, "Scotland's poor health performance is the main drag on improving the quality of life. Diet and fitness issues need to be addressed seriously."

Procurement

Small businesses often feel that they are overlooked in the procurement process, through not having the resources to participate in the tender process. The paperwork, form filling and regulations involved are also a deterrent to small businesses taking part in the process. There is a belief that the process is skewed towards large suppliers who can provide the product at a lower price due to economies of scale, but which does not necessarily represent best value. By using local suppliers, local produce could be promoted; local businesses could be supported; and 'food miles' could be reduced, thus helping to meet our environmental targets.

When talking about procurement, we often talk about local authority buying power. We do tend to forget about the other government agencies, such as Scottish Enterprise and the Scottish Government itself, who due to their scale could be providing a lead by buying local products from local suppliers for their premises.

Skills

The food industry has long complained about skills shortages across a variety of sectors within the industry, such as bakers and butchers. Through this discussion paper, the Scottish Government must tackle this problem. It will involve investment and it must also be done in conjunction with the industry, through meaningful engagement.

The FSB has called in the past for the Modern Apprenticeship programme to be more accessible to SMEs by lifting the barriers to participation and also allowing the training to be more focused on a particular business. Many small businesses simply do not have the resources to take on and train an apprentice, so consideration should be given to how SMEs can be both financially and practically supported to participate in the scheme. There also needs to be increased flexibility in the scheme. Employers should be given some choice within the modern apprenticeship framework about what modules and qualifications are most appropriate for their business and employees. These changes should help those in the food industry to train a new generation of employees.

We would also support ideas such as "Food Academies" which could be established not only to teach the preparation of food, but also to deal with the more scientific and research aspects of food production.

Regulation

The regulatory burden is one of the key issues for small business. While we recognise the need for stringent hygiene regulations, given bacteria outbreaks in the recent past, we would welcome a review on behalf of the many small businesses who are constrained by the burden of over regulation. The regulatory framework is at times constraining the

local processing, sale and transport of food and is causing it to be transported over long distances for processing and packaging.

The High Street

The FSB campaigns for a vibrant environment where small businesses can flourish. This includes fighting for small local shops, which have been struggling in recent times, due to the rise of out of town shopping centres and supermarkets. Indeed the FSB is currently running a “*Keep Trade Local*” campaign, which aims to highlight the plight of so many small retailers across the country. Any new food strategy must consider the suppliers and retailers on the High Street. A number of policies could be implemented to improve “foot fall” in High Streets across Scotland. For example, improved parking facilities, including where possible free parking, in order to compete favourably with out of town alternatives.

Labelling

Many small businesses feel very strongly that the labelling and traceability of food is extremely important, as these businesses often trade on a positive local reputation. Many small firms take the opportunity to differentiate themselves from their competitors by providing additional information on the product label about the origin of the ingredients used in the product. While we see this as a positive development, we also see it as an individual decision on the part of the business owner, and it should not be taken as an indication that additional information is required by the public at large and thus requiring additional regulation for small business owners.

Conclusion

The new Scottish Government has pledged to do everything within its devolved power to grow the Scottish economy and make Scotland a healthier, more skilled and more productive place. If their hopes are to be realised, then a sensible and properly thought out strategy to improve the nation’s diet will be a key component in the process. Only by having a well nourished and healthy population can Scotland begin to put its unenviable reputation behind it and move forward to a healthier and more prosperous future. Small businesses will welcome such a move as it is they who can least afford to deal with the effects of a poorly nourished and generally unhealthy workforce.

For further information on any of the points raised in this submission, please contact Martyn McIntyre, Policy Officer, on martyn.mcintyre@fsb.org.uk or 0141 221 0775.