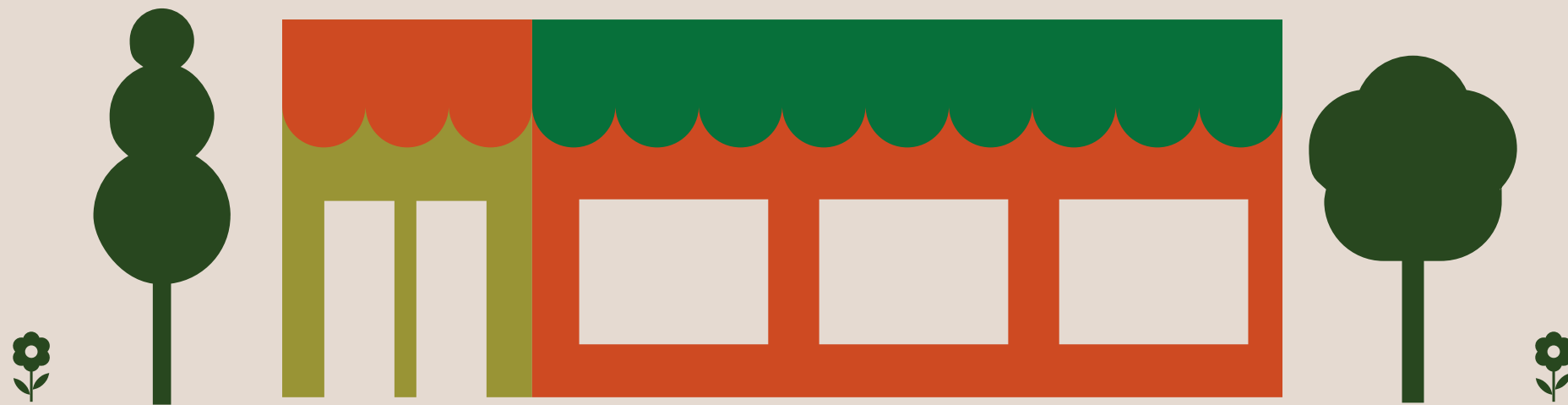


Future of Rural Retail Report

Essays Collection



Future of Rural Retail Report:

Essays Collection Contents

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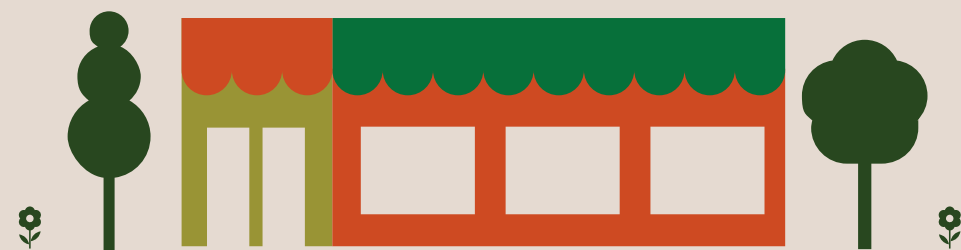
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Vision for the future

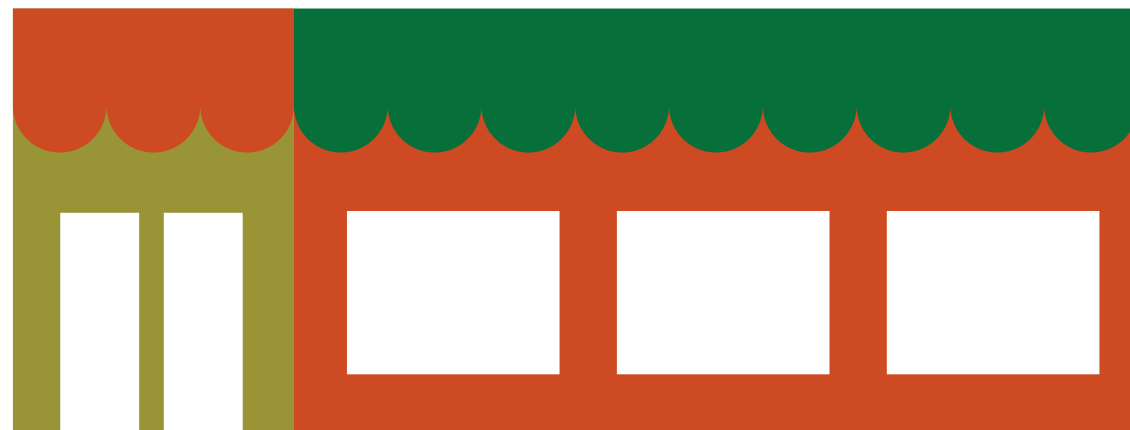
JAMES LOWMAN

ASSOCIATION OF CONVENIENCE STORES (ACS)

Here's the good news: the UK's almost 19,000 rural shops are more relevant to the future of the communities that they serve than ever. Providing not just a wide range of products – often from small local suppliers – but also essential services like the Post Office, prescription collections and other banking services, these stores have become lifelines at the heart of their communities.

After the experience of the coronavirus pandemic nobody can deny the essential role these stores played then and still play today. Consumers tell us that rural shops are even more important than their urban counterparts in terms of sharing community resources, combatting loneliness, acting as a community hub and connecting people locally. It's a story to be proud of and a future to be excited about.

But this doesn't mean this part of the retail industry doesn't face challenges; some of them systemic and potentially fatal to some stores. How do we make sure we're there for the long-term, to change with those communities and profile that lifeline?



Rural stores... share community resources. combat loneliness, act as a community hub and connect people locally.

Thousands of rural shops trade by themselves, with no other businesses to support in terms of attracting footfall. With Cash and Carrys often some distance away, and the tight economics of delivering frozen, chilled and ambient products, multiple times a week, it's not straightforward or always cost-effective to get the right range of products into stores.

These product sales are in themselves important to communities, but they also provide the income to allow retailers to make more services available. Bill payments, ATMs, parcel service, prescription collections are all important, but we have to operate in the real economic world: these services alone are unlikely to sustain a store. Patchy broadband and 4G / 5G signals make it harder to invest in technology in store and offer every service. Add the regulatory pressures on some of the core categories sold in convenience stores including rural shops – like alcohol, vapes and snacks – and it's a tough balancing act to provide everything the community needs and to break even.



Rural shops need help to mitigate these costs, but some of the answers can be found within. Every rural shop should be different, serving the specific needs of their community. Rural shops are increasingly acting as miniature high streets in their own right, taking on services that would have previously been available through a specialist operator.

The question preoccupying for rural shop operators needs to be: “what’s not available here, and how can I provide it profitably and sustainably?”. Where once the village had a pub, can the shop offer a community meeting place even some evenings of the week? Could this double as a café or a bakery, or an outlet for the butcher from two villages away or the nearest farm shop to offer their products as part of your range?

Every rural shop should be different, serving the specific needs of their community... being unique matters.

Finally, rural shops are businesses, the same as a convenience store in an urban area, or an accountants or a manufacturer. Training colleagues (and there are over 178,000 people working in rural shops) on basic retail disciplines – stock control, merchandising, legal compliance, customer service – is just as important in rural stores as anywhere else. Being unique matters, but customers won’t accept poor standards because of the community credentials of the store, they want an excellent local shop... plus the magic dust that the operator can bring.

Our [Rural Shop Report](#) offers a wealth of information about this sector and tells the stories of the people working in it, including those operating community-run shops. There are lessons to learn from each other, and if we do that the rural shop can not only endure but thrive into the future.

James Lowman is Chief Executive at the Association of Convenience Stores

The Association of Convenience Stores (ACS) is the voice of the UK's 50,000+ local shops, supporting our members through effective lobbying, comprehensive advice and innovative networking opportunities.
www.acs.org.uk

ACS | the voice of
local shops



TRISTAN ROBINSON THAKEHAM

Thakeham and Abri Group have worked in a joint venture to deliver Woodgate: a 619-home development in West Sussex that epitomises quality housebuilding and holistic place-making. Thakeham's social value approach informed this project throughout.

Nestled within an Area of Outstanding Natural Beauty, Woodgate showcases how to enrich rural communities while providing much-needed homes and facilities that cater for all lifestyles and stages. To ensure Woodgate addressed local needs as well as those of its residents, extensive consultations were undertaken before construction. The results include a new £4m primary school, £7m of infrastructure improvements, a community-owned shop, charity-owned café, new hospice, and a community centre. All these collaborative elements have created an exceptional community that will impact people's lives for generations to come.

The community-owned shop at the heart of Woodgate is a first of its kind, and the result of an innovative partnership between Thakeham, Plunkett UK, St Catherine's Hospice, and both new and existing residents.

Thakeham's commitment to creating a thriving hub meant taking a different approach to building community assets. Gifting the £1.5 million hub rent-free to St Catherine's, whose newly built hospice is adjacent, ensured the hub would be in long-term community stewardship. In turn, the shop's sub-lease was gifted rent-free to the community.

Local and future residents are empowered to actively shape the shop's design and overall purpose.

The creation of a community benefit society meant new residents could take on a long-term, rent-free lease and open the shop under community control for the community's benefit. Through partnering with Plunkett UK, local and future residents were empowered to actively shape the shop's design and overall purpose. Adopting the community ownership model means the community decides what to sell in the shop, sources ethically and locally, and offers a host of activities in addition to retail service. This shifts power and ownership into local hands and was achieved through extensive engagement by Thakeham and Plunkett, creating a trusted, effective, and accountable partnership with clearly defined roles.

The community group set up a fundraising campaign, applied for local grants, and launched a community share issue to support trading costs and enable local people to join as members. To continue generating community support, the community group hosts events such as their annual summer fair and actively promotes their share offer. **Each new resident receives information about the shop and the role they can play in the community from Thakeham.**



Thakeham and Plunkett supported the community throughout, ensuring the shop was kitted out to the highest standard, well stocked, and ready to receive eager customers from day one. **The Woodgate Community Shop opened its doors on 4 May 2024.** Now the shop is trading, they continue to access support from Plunkett for day-to-day operations and benefit from a host of membership perks, such as preferential rates on services and utilities and valuable peer networking.

Outcomes and Achievements:

The success of this innovative approach to providing community services as part of a new development can be illustrated by the following social economic value achievements:

- Creation of a volunteer community business committee of eight to oversee shop governance and manage staff and services – driving skills and social cohesion in the community.
- Volunteer team that helps with the shop's day-to-day running, building true community cohesion and supporting desired VCSE growth.
- Hosting community events breaks down social barriers within this diverse community.
- Significant local reinvestment, with studies showing that for each £1 spent locally, 63p stays within the local economy. Woodgate shop sources from over ten local suppliers.
- Creation of a blueprint for future Thakeham sites, utilising the charitable partnership with Plunkett UK.
- Inspiring industry change through a collaborative white paper.
- A trading community shop on target for a £250,000 turnover in its first year that will further support community growth with all profits reinvested for the benefit of the community.

Lessons learned:

Early Community Engagement: Community businesses, with their democratic structure, can meet genuine local needs. Involving local residents and workers ensures comprehensive support for the project's success.

Empowering Community: By providing the framework but enabling community control, Thakeham facilitated genuine community ownership with long-term support from Plunkett.

Learning from Others: Visits and consultations with similar businesses provided confidence, advice, and best practices.

Patient Collaboration: Uniting existing and new residents through genuine consultation and addressing local needs was key.

Resourcing for Future Benefits: Adequate resources and long-term support are essential for the sustainability and success of community projects.

Tristan Robinson is Thakeham's Director of External Affairs and Social Value.

Thakeham is an industry-leading placemaker with a mission to create truly exceptional places to live, where communities thrive and the environment flourishes.

<https://thakeham.com>



THAKEHAM



Supermarkets

MIKE PICKERING MIDCOUNTIES CO-OPERATIVE

As a Co-op Retail Society, we support the development of Co-ops and community-owned businesses. From retail co-ops to housing co-ops, community-owned shops to community-owned pubs, each one has the wellbeing of its people, members and communities at its core. We believe this member and community ownership model provides a sustainable, ethical and fairer way of doing business, with members and community owners at the heart of making business decisions.

We've been working with Plunkett UK for many years to support community-owned businesses through a combination of financial support, and skilled volunteering and advice from our colleague base. We support and encourage our colleagues to support the local community through volunteering, and through this volunteering our retail colleagues have worked with Plunkett to provide community shops with advice around product ranging, pricing and labelling, food safety, shelf edge labelling, and legal compliance.

We also work with Plunkett to help identify and support the key issues facing community shops. This has included us hosting an energy efficiency webinar alongside Plunkett, providing advice on how community shops can bring down their energy costs. This was followed up by a further session that focused on broader carbon reduction initiatives, helping prepare community shops towards Net Zero. To further support and bolster the UK's vibrant co-operative landscape and community-owned businesses, in May 2022, we pledged to support the creation of 50 new co-ops and community-owned businesses in our core trading area by 2027.

We believe the member and community ownership model provides a sustainable, ethical & fairer way of doing business.

In order to achieve this, we are working with Plunkett UK and Co-op Futures to help facilitate the development of new co-ops and community-owned businesses. Since making this pledge a number of co-ops and community-owned business have been created including community-owned pubs, community-owned shops, community hubs, a sports and community centre and co-working space in the community. We look forward to continuing our work with Plunkett UK to support the development of community-owned businesses.

Mike Pickering is Head of Sustainability at Midcounties Co-operative

The Midcounties Co-operative is a thriving co-operative with over 700,000 members and operates businesses which spans Food, Travel, Childcare, Energy, Telecoms, Post Offices and Flexible Benefits.
www.midcounties.coop



Wholesalers

JOSH YOUNGS-CLARKE YOUNGS WHOLESALE

With 140 years of loyal service to our customers, Barnstaple-based Youings Wholesale is Devon's longest serving wholesale business. Founded in 1884 in our family retail shop, which is still trading to this day, we have a pretty good understanding of the challenges faced by customers operating across rural areas of the UK.

We specialise in supplying ambient FMCG and grocery products to support the independent retail trade, and are a 100% delivered business. We offer a range of over 6,000 ambient lines, as well as a dropped shipment partnership scheme allowing our customers to access anything from frozen and chilled goods, to flowers and postcards at any site nationwide. We supply on our own vehicles across the South West of England and much of South East Wales, and nationally through the pallet network, supporting customers as far away as Thurso in Scotland.



A large number of rural retailers are underserved and understocked with regards to procuring staples and supporting their customers.

Our customers range from small seasonal outlets on the beach, campsites, convenience stores, petrol forecourts, over 70 community stores, education and national chains. In the last 10 to 15 years, we have seen consolidation within the wholesale market, leading to reduced choice and options of supply for customers, and **now we are one of the only independent wholesale businesses in the region offering ambient convenience retail goods.**

We understand that some national suppliers are evolving their businesses away from supporting rural customers and are reducing their deliveries outside of major hub areas. We have seen customers with hugely inflated minimum order quantities and delivery charges making viable trading almost impossible. This leaves a large number of rural retailers underserved and understocked with regards to procuring staples for their stores and supporting their customers.



An example of this is on the Scilly Isles. Earlier this year we were approached by a store owner on St Mary's that was very concerned about the rising costs of doing business. Simply getting the goods to their store costs 50 pence per kilo for sea haulage, regardless of the product or value, so further increases in the cost of goods can have a dramatic impact on their trading.

Our solution was simple. We spent two days meeting store owners across the islands, and, working collaboratively with multiple businesses, we are now serving customers across all of the Scillies. This allows for smaller minimum orders quantities and we see the Scillies as one customer drop to Penzance, where others were asking for minimum order requirements to be met for each individual trading site on each island, when really the logistics challenge is met at the quay in Penzance, meaning greatly reduced delivery charges.

Working collaboratively
with multiple businesses,
we are now serving
customers across all
of the Scillies.

We operate a similar model to support some national chains which have sites within our region, but also have some sites that are very rural and isolated.

In order to support these sites, we supply through the pallet network, and are now offering support to the Plunkett membership nationally as a solution to delivery issues caused by some national supply partners moving away from supporting rural traders. We look forward to growing our national customer base through supporting the membership as the national wholesale market continues to evolve.

Josh Youings-Clarke is Business Partner at Youings Wholesale

Youings is a family-run business, established in 1884. It supplies tobacco, confectionary, snacks, grocery, alcohol and coffee. Based in Devon they are able to supply members throughout the UK.

<https://youings.com>



PAUL HARGREAVES COTSWOLD FAYRE LTD & FLOURISH

For the past 25 years, Cotswold Fayre has supplied primarily British goods to a wide range of independent retailers, which include farm shops, convenience stores, garden centres, delicatessens and, of course, village shops.

Despite village shops being at the smaller end in terms of revenue of our customer base, we have worked with Plunkett UK for ten years or more and offer members a small discount to encourage them to order through us. Due to our strong base of farm shop customers, we have always seen rural retailers as an important part of the retail landscape.

At no time was this more evident than during the Covid pandemic when the revenue of farm shops and convenience stores (including village shops) skyrocketed. It was very clear what a vital part of the food supply chain these stores were to both the vulnerable in society and those who relied on public transport.



Due to our strong base of farm shop customers, we have always seen rural retailers as an important part of the retail landscape.

Cotswold Fayre was one of the first B Corps in the UK in 2015. B Corps are for-profit businesses that put social and environmental impact ahead of profits; supporting the sometimes isolated, rural communities is an important part of this.

We also now own and trade two retail businesses ourselves, called Flourish. One of these is in the greenbelt but between Bristol and Bath, and the other is in a more rural environment south-east of Bath, towards Frome.



Whilst small community retailers are always going to need to stock the basic food items that are available in the main supermarkets, I believe there is a huge opportunity for Plunkett members and other rural retailers to stock more premium items. Why?

1. **Eating in is the new eating out** and stocking premium ingredients or even high-quality, frozen ready meals puts a better food offering on people's doorsteps.
2. This will **increase the basket spend** of the community retailers and make them more financially sustainable meaning that consumers aren't visiting the farm shop perhaps five miles away.
3. Anything that stops people jumping in their car is **good for the environment**.
4. Many of the village stores that have been taken on by the local community are backed by more affluent customers and they are **delighted when higher quality products** are available on their doorstep.

I believe there is a huge opportunity for Plunkett members and other rural retailers to stock more premium items.



The other significant opportunity for local community retailers is to add a café offering to the retail side. Whilst our two outlets are on a much larger scale, customers often come in for a coffee, breakfast or lunch and then make a retail purchase on the way out. The hospitality of our two retail sites is around 60% of the whole. Where there is space, adding a café would be a good, revenue-generating addition.

Finally, the other way Cotswold Fayre could help would be in solving logistical difficulties in supplying small community retailers. We would be happy to deliver the mainstream products to our small rural customers if one of the large wholesalers would supply us with the products at a price that would work for the end retailers.

Collaboration is something we love, but I know that large corporations sometimes find this difficult!

Paul Hargreaves is Founder of Cotswold Fayre Ltd & Flourish

Cotswold Fayre is both a wholesaler and a retailer. The wholesale business supplies speciality food to around 2,000 retail sites across the UK, the majority of which are rural: farm shops, village shops, garden centres, convenience stores and delis. The retail business, Flourish, has two 6,000+ square foot sites in the south west of England.

www.cotswold-fayre.co.uk

**COTSWOLD
FAYRE***

—
-EST 1999-

NIGEL KAYE SUMA

At Suma, we've been doing things a little differently since 1977. Suma is a wholefoods wholesaler supplying ethical, organic, and sustainable plant-based products. As an equal-pay worker-owned co-operative, we're not motivated by profit but by the values that matter most: fairness, sustainability, and community. Everyone at Suma has an equal say in the business, which means our decisions are guided by integrity and a commitment to doing things right, not by the bottom line.

Over the last 50 years, we've built strong relationships with independent shops, food groups, and rural communities – particularly across Wales, Scotland, and the south east of England. Unlike the big supermarkets, we focus on real connections with smaller, independent retailers who share our values, not just on shifting product.

We know that running a rural community shop means balancing all sorts of challenges – especially when it comes to competing with the big chains. That's where Suma comes in. We're not your typical supplier. All our products are vegan or vegetarian, and we've been crafting them with sustainability at the heart of everything we do for nearly 50 years. Our range covers food, cleaning, and body care essentials, making it easier for you to stock your shelves with quality products that your customers can feel good about.

We know community shops thrive when they stand apart from the crowd. It's not just about what's on the shelves – it's about what products represent.

But it's not just about what's on the shelves – it's about what those products represent. When you choose Suma, you're choosing to offer your customers more than just a product; you're offering them a set of values they can connect with. Ethical sourcing, sustainability, and supporting the local community are all at the core of what we do. When your customers shop at your store, they're not just picking up items – they're supporting something that aligns with their own values.

Let's face it: large chains are great at pushing cheap, branded basics, but when it comes to values and quality, they just don't compare. That's where we come in. Suma gives you the chance to offer ethical, sustainable alternatives that really stand out to customers. By stocking Suma products, your shop becomes a destination for people who care about where their food comes from and who it benefits.

We know that community shops thrive when they stand apart from the crowd. Suma helps you do just that – by providing you with products that are more than just stock, but a way for you to build a loyal customer base who value sustainability. Plus, because we focus on the independent sector, you won't find our products undercutting your prices in supermarkets or other outlets. That's one less thing to worry about.



At Suma, we're not just about business; we're about supporting communities and nurturing those local connections that make rural shops so special. That's why we're actively engaging with Plunkett to listen to your needs, understand your challenges, and working with you to adapt and innovate. We know that the operating environment is changing, and we're here to help you navigate those shifts with practical solutions and fresh ideas.

By working together, we can come up with new ways to serve your community – whether that's by introducing more sustainable packaging, setting up local buying groups, or finding new ways to make your shop a hub for local values. Our aim is to support you in adapting to change, all while keeping your community at the heart of what you do.

Running a rural community shop often means dealing with the practicalities of remote locations, limited delivery windows, and fluctuating demand. We get that, and we've tailored our service to make things easier for you. Whether you're in the middle of the countryside or a small village, we're committed to getting your deliveries to you – and without hassle. You don't even need to be there to take delivery: let us have a key and it'll all be waiting for you.

With three hubs and an updated delivery system – including electric vans to reduce our carbon footprint – we're better equipped than ever to serve your shop. And with flexible delivery schedules, you can set up weekly or monthly orders to ensure your shelves are always stocked with the products your customers want.

At Suma, we're focused on more than just providing good food; we're working to build a fairer, more sustainable future for everyone. When you partner with us, you're not just getting a supplier – you're becoming part of a movement that puts people and the planet first. Together, we can continue to challenge the status quo and offer your customers products they'll trust and feel good about purchasing.

So, if you're looking to be part of something that's about more than just transactions, Suma is here for you. We're committed to making your shop a beacon of ethical, sustainable living – and we're excited to help you engage, inspire, and adapt to the changing world around us.

Let's work together to shape a better future, one product, one delivery, and one community at a time.

Nigel Kaye is Co-op Member at Suma Wholefoods

Suma is an equal-pay worker-owned co-op supplying ethical, organic, and natural plant-based products since 1977. With no bosses, the 200 members equally share responsibilities, direction, and wages.
<https://www.suma.coop/>

Suma
CO-OPERATIVE SINCE 1977



Local food suppliers

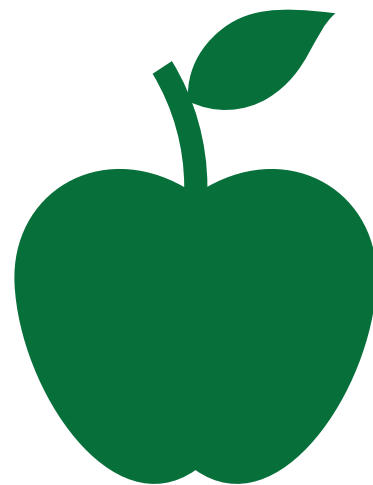
PETE RUSSELL OOOBY

Ooooby (Out of our own back yards) is an ecommerce platform that enables small-scale food producers and retailers to sell their products online in an easy and low-cost way.

In this way, Ooooby is your technology partner with aligned values and a shared purpose of helping to give small-scale and independent food businesses a competitive advantage.

It works by providing small-scale food producers and retailers with:

- an easy-to-use online shop
- training and support to get up and running
- membership to a community of over 100 small-scale food producers



An online presence enables rural community shops to serve their customers in new and convenient ways.

Ooooby benefits rural community shops in two key ways:

1. By helping them to have an **online presence** enabling them to serve their customers in new and convenient ways. Customers are able to check what's in store and place orders in advance to avoid missing out and even subscribe to weekly orders so that you know in advance what you need to have in stock.
2. Community stores can also connect with and buy from the **many local producers** on the Ooooby platform to keep their shelves stocked with high-quality food from trusted, small-scale growers and makers.



The beauty of connecting and trading directly with local and small-scale producers is that it can be both affordable for customers and viable for the producers because we're able to **cut out all the usual supply chain costs** such as long-distance transport, warehousing, packaging, and middlemen clipping the ticket.

Community stores play a key role in facilitating a local food economy which not only delivers affordable high-quality food, but also enables local food producers to make a decent living.

We have a vision of putting 'small-scale' back at the heart of the food system. To realise this new food system, a decentralised network of local and low-cost shopping outlets is needed. Rural towns and villages have the greatest opportunity to build a new food system because they have the land and the people to produce food locally, and if they have a local community store, they have a convenient way for the community to buy it.

Small-scale and local food
can once again claim
pride of place at the heart
of the food system.

The fact that rural communities are underserved by centralised corporate food systems means that there is a gap in the market waiting to be filled. The key is to give shoppers what they have learned to expect in modern times; the ability to shop from their smartphones or home computers.

We believe that we can help in this regard. By combining great local food with a convenient local outlet, along with a modern shopping experience, **small-scale and local food can once again claim pride of place at the heart of the food system.**

Finally, our **steward-ownership model** means that we are values aligned by putting long-term purpose over short term profits. We will never sell out and as a member of the platform you will have a share in the long-term success.

Pete Russell is the Founder of Ooooby

Ooooby is an online platform purpose built for sales and logistics of local and small-scale food. A great way to reach more customers in your community and to connect with local food producers.
www.ooooby.com

Ooooby



EMMA MOSEY FARM RETAIL ASSOCIATION

The Farm Retail Association acknowledges the valuable insights presented in the provocation paper and at the Ditchley Park event regarding the challenges facing community shops. Many of these challenges, such as rising costs, supply chain disruptions and the need to adapt to changing consumer demands are also faced by farm shops and farmers markets within the food retail sector.

Farm retailers contribute £1.4 billion to the national economy, employing approximately 25,000 people. The farm shop sector has experienced significant growth in recent years, driven by a growing consumer demand for local, high-quality food. However, the sector also faces challenges such as rising input costs, labour shortages, and increased competition.

Recent trends within the farm shop sector include:

- *Increased diversification:* Farm shops are increasingly diversifying their offerings, incorporating cafés, restaurants, farm tours, and events to enhance the customer experience and generate additional revenue streams.
- *Focus on customer experience:* Creating unique and engaging customer experiences, such as farm tours, pick-your-own events, and interactive displays, is becoming increasingly important.
- *Emphasis on sustainability:* Sustainability is a key focus for many farm shops, with an emphasis on environmental practices, ethical sourcing, and reducing their carbon footprint.
- *Growing online presence:* Many farm shops are expanding their online presence, offering online ordering, delivery services, and engaging with customers through social media.

The typical farm shop customer is evolving. It is now more diverse, encompassing those seeking authentic and sustainable food options.

The typical farm shop customer is evolving. While traditionally associated with affluent rural residents, the customer base is now more diverse, encompassing families, young professionals, and those seeking authentic and sustainable food options.

Farm shops generate **significant benefits** for local communities, including:

- *Supporting local economies:* By sourcing from local producers, farm shops contribute to the economic vitality of local communities.
- *Creating jobs:* Farm shops create employment opportunities within the local community.



While price sensitivity remains a concern, farm shops are effectively **addressing this challenge** by:

- *Highlighting the value proposition:* Emphasising the quality, freshness, and provenance of their products, and the value they offer in terms of taste, health, and supporting local producers.
- *Offering a range of price points:* Providing a variety of price points to cater to different budgets, such as offering value meals, seasonal specials, and loyalty programs.
- *Developing strong customer relationships:* Building strong relationships with customers through excellent service, personalised recommendations, and engaging communication.

Community shops and farm shops could work together to form a strong network, maximising local food distribution and strengthening local economies.

The Farm Retail Association envisions a future **where community shops and farm shops work together** to form a strong network, maximising local food distribution and strengthening local economies. This collaboration could involve:

- *Joint procurement:* Exploring opportunities for joint procurement of goods, leveraging collective bargaining power to secure better prices from suppliers.
- *Shared marketing initiatives:* Collaborating on marketing campaigns to promote local food businesses and attract new customers.
- *Knowledge sharing:* Sharing best practices, expertise, and resources among community shops and farm shops.
- *Developing a regional food hub:* Establishing a regional food hub to connect local producers with community shops and other businesses, improving the efficiency and sustainability of the local food system.

By learning from each other's successes and addressing the challenges collaboratively, community shops and farm shops can play a vital role in strengthening local food systems, supporting local economies, and providing consumers with access to high-quality, locally produced food. The Farm Retail Association is committed to supporting this collaboration and working with community shops to achieve these shared goals.

Emma Mosey is Chair of the Farm Retail Association

The Farm Retail Association is the leading voice for farm shops and farmers markets in the UK, representing and supporting businesses across the country. We champion local food, sustainable farming, and thriving rural communities.
<https://farmretail.co.uk/>



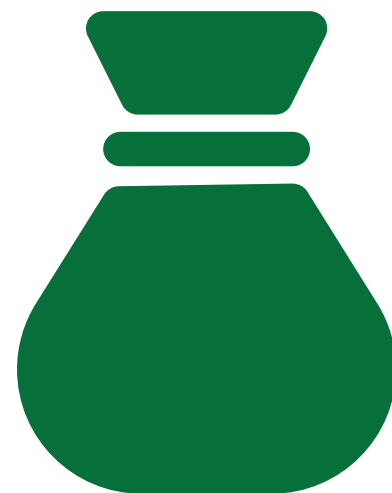
Services

STUART MILLER NEWCASTLE BUILDING SOCIETY

Recent trends in retail and supply chains are threatening the viability of what has been a growing number of community-owned village shops which we see as vital to the wellbeing of small rural communities.

In many ways similar trends are being seen in financial services with **more than 6,200 bank branches having closed in the UK since 2015**. Banks have pulled down the shutters on high streets in every corner of the country, hitting rural communities hard, where proximity to the next-nearest branch is almost always further than in urban areas.

However, as a purpose-led, member-owned business ourselves, Newcastle Building Society has been thinking differently about how we address the needs of our customers and communities, partnering with like-minded community based organisations to find **new, innovative solutions which has helped us to grow our branch footprint.**



An online presence enables rural community shops to serve their customers in new and convenient ways.

Access to face-to-face financial services and financial advice is essential for the health of communities, and we recognise our responsibility for helping to maintain and restore branch access, preventing more of our communities from being cut adrift.

We think creatively about how we can deliver branch services, who we can work with and where we might locate. In 2016, we opened a branch inside Yarm library (Stockton on Tees), our first community partnership branch. We've since opened in the community hubs of Hawes (North Yorkshire) and Wooler (Northumberland) – both rural locations where banks had left town



2022 saw the arrival of our fourth community partnership branch in

Knaresborough (North Yorkshire). Located within the town’s busy library, we worked in collaboration with North Yorkshire County Council after the last bank left town in 2021. As a UK-first, we’ve collaborated with fintech, OneBanx, to provide access to a multi-bank kiosk across locations in Yorkshire (Knaresborough and Pickering) and Newcastle (Gosforth). The kiosks allow small businesses and personal customers of any bank that offers open banking to deposit and withdraw cash from their current accounts, a service that is free and available to the whole community, not just Building Society members.

Our fifth community partnership branch extends the model further. In 2024 we relocated our North Shields (North Tyneside) branch to share space with YMCA North Tyneside. This latest investment extends our long-term partnership with the charity to provide financial services at the heart of the community, alongside YMCA North Tyneside’s popular café and gym.

The community spaces in more than half of our branches provide a dedicated room for local charities or community groups to meet – free of charge.

Sharing space means we can provide a full range of branch services at a fraction of the cost of a ‘traditional’ branch. It also brings increased footfall, enabling us to expand our reach to potential members. Similarly, the community spaces we’ve created in more than half of our branches provide a dedicated room for local charities or community groups to meet – free of charge.

Swimming against the tide of branch closures is proving to be a strategy for success, attracting a growing number of customers. In 2024, our branch savings balances grew at **more than double the rate of the savings market average** across all channels, demonstrating the customer and commercial value of a local branch.

Our long-term strategy to provide choice by investing in accessible financial services in our communities is core to our business model. It drives long-term customer relationships – often across generations – that will continue to fuel our successful business and drive positive change in our communities.

Stuart Miller is Chief Customer Officer at Newcastle Building Society

With a growing network of 32 branches, Newcastle Building Society is finding new ways to ensure access to face-to-face financial services in its communities across the North East, Cumbria and North Yorkshire.
<https://newcastle.co.uk/>



JACK FODEN POST OFFICE LTD

Post Office is well-known for its role at the heart of communities across the UK.

With over 11,500 branches nationwide, Post Office is committed to meeting the Access Criteria set by Government, ensuring essential mail and banking services are widely accessible for consumers and small businesses alike.

This coverage is particularly strong in rural areas: Post Office ensures that 95% of the UK's rural population is within three miles of a branch.

Regularly exceeding this benchmark, Post Office is one of the few retailers to have maintained its physical footprint where others have retreated from our high streets; for instance, banks have just 34% coverage in rural areas today following nearly 6,000 branch closures since 2015.



Rural residents are twice as likely as urban residents to rely on their local post office for cash and banking services.

Rural post offices serve as vital lifelines for their communities; for instance, research by YouGov has shown that rural residents are twice as likely as urban residents to rely on their local post office for cash and banking services, especially as retail banks continue to close.

However, this reliance is more than simply transactional; it's often woven into community life. Rural postmasters are often key figures within their communities, fostering strong relationships with their customers due to their consistent presence in the community.

In fact, 3 in 5 (60%) of rural customers view their local post office as an important part of their community's identity and culture, compared to 46% in urban areas. With over 3,000 post offices that act as the 'last shop in the village', they frequently stand as the sole providers of essential services and functional community hubs.



However, like high streets across the UK, **Post Office's rural network has faced challenges** due to changing consumer behaviour as more and more people shop online. Online sales make up c.30% of all retail sales today, up from 10% a decade ago, driving footfall away from in-person services like Post Office.

As a result, it is not always possible to operate a full-service post office in rural or remote areas.

However, in recognition of the vital role post offices play, **we have adapted by delivering more outreach services** – now operating in over 1,600 locations – to provide bring cash and mails services to communities.

We have seen a shift from standalone post offices to co-located branches within host retail environments – collaborative spaces that include community shops.

Over the last decade, we have seen a shift from standalone post offices to co-located branches within host retail environments such as convenience stores and pharmacies. **Other collaborative spaces include community-run shops, which often host cafés, charity events and even lunch clubs to combat loneliness.**

The co-located model, which has grown from just over 4,500 co-located branches in 2012 to over 7,000 today, **enhances the viability** of both the retail outlet and the post office. Co-located branches benefit from shared staff, longer opening hours, and the convenience of enabling people to perform other important tasks, such as buying groceries or medicine, while going to the post office.

This symbiotic relationship is crucial for the sustainability and prosperity of Post Office's rural network, as it continues to evolve over the next decade to meet customer needs.

Jack Foden is Head of Public Affairs and Policy at Post Office Ltd.

With its 360-year history of public service, Post Office delivers essential services – from cash and banking through to bill payments and travel – across its network of 11,500 branches across the UK.
www.postoffice.co.uk





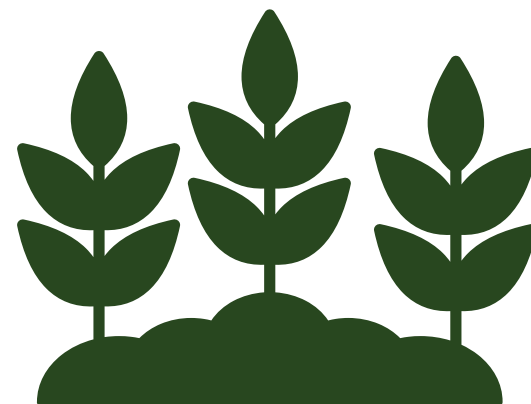
Inspiring
examples

OLIVER STUBBINS WELBECK FARM SHOP

Welbeck Farm Shop was founded in 2006, and, like many great ideas, it started as a conversation in the local pub with the owner and a friend.

The desire for the shop followed Joe returning to the countryside after living in London, and being frustrated by how difficult it was to source great food locally, needing to visit differing shops in neighbouring towns for great butchery, bread, fresh produce and groceries. Being located on a historic Ducal estate, Joe was aware of the importance of reputation and brand, with the Farm Shop being the only building open to the public with the name ‘Welbeck’ above the door, representing the 15,000-acre estate and its rich history.

Quality and taste were the anchors of all conversations and, as the shop has just reached 18 years of trade, those words are still repeated daily across all departments.



We have never strayed away from providing quality food and traditional, personal service.

In recent years the business has grown at a superb rate, benefiting from some TV exposure on Channel 5, and winning National awards, moving from ‘UK Small Farm Shop of the Year’ in 2020, to ‘UK Large Farm Shop of the Year’ in 2024 (despite the building not getting any bigger!)

Our mission statement is reviewed annually but is rarely tweaked – **we have never strayed away from providing quality food and traditional, personal service.** Our mission statement is: to provide exceptional quality produce and service, in a responsible and sustainable manner.

Despite being a large country estate, our catchment area is not affluent. We are in the heart of the old mining communities, which have suffered economically since the closure of the pits.



Our team are local, and we build fantastic relationships with our customers. I recall on my first day (I have been with the business ten years) that our Head Butcher introduced himself, and explained that **his role is more like that of a hairdresser than a butcher**. Seeing me clearly confused, he explained that he knew where his customers had been on holiday, their children's names, what they had bought the last time they visited – the level of relationship is akin to a hairdresser.

During Covid, we had choices we could make but turned to our mission statement and decided to stay open, provide what we knew our customers wanted, and we limited numbers in the shop, yet grew our trade significantly.

Customers choose to spend time shopping with us. Service adds value, and customers do appreciate this.

When approached to be filmed for 'Britain's Finest Farm Shops' we were delighted. However a last-minute name change to 'Britain's Poshest Farm Shops' caused a great deal of concern, as we did not wish to alienate current or prospective customers, as the tag of 'Posh' does not reflect the team working here, and does not have positive connotations.

Customers choose to spend time shopping with us, whereas they see supermarket shopping as a chore. Service adds value, and customers do appreciate this. Truly understanding your **audience**, having a clear **objective** and **identity**, and never moving away from them, regardless of external factors, are our biggest recommendations to other independent retailers.

Oliver Stubbins is General Manager of Welbeck Farm Shop.

Welbeck Farm Shop is dedicated to providing our customers with the highest quality locally-sourced food. Working with the estate's farmers, we source vegetables, dairy and livestock from the 15,000 acre Welbeck estate, in addition to goods sourced from our resident food producers.
www.welbeckfarmshop.co.uk



EMMA LEDBURY NORTH COTSWOLDS DAIRY CO

Early days we had stalls at every local Farmers Market, coffee morning, and we supplied milk to village fetes and fundraisers for free, leaflet drops, delivering bottles of milk to every farm shop and café within an eight-mile radius, anything and everything.

Many of the outlets find quantity and scale are a huge factor. We struggle to compete with supermarkets or huge producers on cost; many believe we should be cheaper because they are cutting out the middle man but in actual fact we can't be because like the rural outlets, we are producing our product on a small scale frequently to ensure it's of the highest quality and also unable to get the discounts because we, like them, don't qualify for the big wholesale discounts.

We educate the public on how milk should taste and look, as there is a huge difference in how our milk tastes and behaves compared to homogenised and standardised milk. This brings a fresher product to the consumer but also means it has a shorter shelf life, so we re-educate the buyer that they will need to buy little and often.

Likewise, we must educate the customers on farming, reconnecting the consumer with where their food comes from, answering questions or concerns they may have in terms of what the cows eat, antibiotic use and enabling them to see the cows whether through them collecting their milk from the Farm or by social media and business advertising. We share the highs and the lows of our Farm, being around to chat occasionally as well as the businesses who use our milk in their products and outlets.

We have found our customers and outlets are very loyal when they feel involved and invested.

We have found our customers and outlets are very loyal when they feel involved and invested. There is the challenge of remaining a small producer/artisan product. Often we have had the demand but not the infrastructure or staffing to expand. We have limited the area we can deliver to, the product line we can offer and the quantity we can sell. Expanding too much requires too much investment or the risk factor of borrowing to expand, but there is also the risk that by becoming too big we lose our identity of being the Family Farm.

Therefore, we must have the confidence to suggest another producer or business that is closer to the outlet benefits the outlet and the local producer.

Understanding that we are not in competition with the other small-scale producers and supporting them is essential to our business. Dairy farming is tough; diversifying and adding value to your product and selling direct is just as tough but there is no need to claim your product is better than another just to sell a few extra litres – we want that shopper to buy direct from the Farm or Farm Shop, and to change their mindset and shopping habits.



We are huge believers in sustainability, using glass bottles the customer refills and reuses, or churns we deliver to the cafés and ice-cream makers in. We have rightly or wrongly turned down outlets because they couldn't accept our product the way we know works for us to deliver it. If they want it delivered in plastic with a longer shelf life, at a price that doesn't pay the producer enough to reinvest, then they can just do an online supermarket shop.

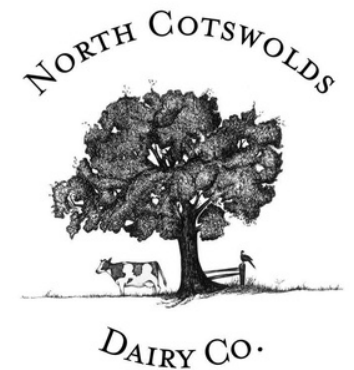
We have found that vending machines for our milk at outlets enables us to sell milk direct to the public but in a way that suits the shopper. Our Farm Shop at the Farm has the milk vending machine, we have trays of local eggs, an honesty fridge with local butter, cheese, honey, homemade cakes, pestos, chutneys and a freezer with frozen pizza dough, ice cream, bacon and sausages. There is a noticeboard bursting with local businesses offering logs, flowers, window cleaning etc. It has become a community hub of information and products just by evolving and on a sale or return basis for most of the products.

We educate the public on how milk should taste and look and on farming, reconnecting the consumer with where their food comes from.

We have been fortunate that many of these products have come from the village wanting an outlet for their products. Some have worked, others haven't, but it is unstaffed and all but the milk works on honesty, even the card reader relies on honesty! The village are onboard with the honesty shop, and it is amazing how many artisan producers appear when word gets out!

Emma Ledbury is Director of North Cotswolds Dairy Co.

North Cotswolds Dairy Co is a family run dairy farm on the edge of the Cotswolds. Its delicious milk comes from the Markbury Herd, is pasteurised on the farm, giving the freshest, most delicious milk possible.
<https://northcotswoldsdairy.com/>



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