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**Autumn Conference
Proceedings
2012**

British Society of Baking Autumn Conference 2012

Ardencote Manor Hotel, Warwick
2nd & 3rd October 2012

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Affiliated to the American Society of Baking

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2012 AUTUMN CONFERENCE

Tuesday 2nd October

Creative Leadership & Problem Solving Workshop

Shari Rife, Rich Products Corporation

Shari delivers Creative Leadership and Problem Solving Workshops around the world, highlighting the importance that leadership plays in creating the environment to nurture creativity in the work place and BSB members were given a superb 2 hour Workshop 'taster'. We are not going to report fully on the proceedings of the Workshop, as we do for other presentations, since the Workshop is an interactive experience which you cannot get from just reading about. Instead below you will find copies of some of Shari's PowerPoint slides to show the scope of the Workshop, together with some photographs.



Shari inspiring, informing and encouraging delegates



Stick 'em up Brainstorming

Give everyone a few minutes to capture ideas

- Record one option per post-it TM
- Use dark marker
- Write legibly
- Use short phrases (e.g., 4 to 8 words)
- Call option out loud for others to hear
- Post option for others to see

This was just a Taster for the Workshop! To learn more about half and full day Creative Leadership & Solving Workshops planned for Spring 2013 contact Shari Rife at: srife@rich.com

Objective

The focus of this Workshop is to:

- Demonstrate that creativity is a core leadership skill
- Help participants gain a high-level understanding of creativity principles and the Creative Problem
- Solving (CPS) process in order to drive creative thinking and innovation

Creative Problem Solving

- Create the environment ... that fosters open communication, flexibility, innovation and risk taking within the team
- Go positive ... focus on what's positive with a balanced realism about our challenges
- Coach for solutions ... helping associates execute in the face of day-to-day challenges
- Assemble "the best" ... create the magic of highly talented associates working together
- Focus on "fit"... choose assignments and roles that link associate strengths to organizational needs



John Gellay sticking up post-it note ideas for his team

Creativity is the most important leadership quality To succeed, take more calculated risks, find new ideas and keep innovating in how you lead and communicate.

Capitalizing on Complexity Study, Insights from 1,500 CEOs, IBM

If we want to be the company to lead the way into this evolving market landscape, we have to tap into the creativity of our people and encourage them to build brands in a different way than we've done in the past.

Jim Stengel, Procter & Gamble, Global Marketing Officer

British Society of Baking AGM, 2012



Left: new BSB Chairman Sara Autton, Right: Sara presents Keith Houliston with his past Chairman's medal.

2012 AUTUMN CONFERENCE

Wednesday 3rd October



Chairman: Sara Autton

Good morning ladies and gentlemen, how lovely to see such a full house here this morning. Welcome to the Wednesday presentations of the British Society of Baking Conference. In your Conference packs, you'll find a feedback form. I promise you we do look at the feedback forms, they are important to us, so please if you could fill those in as you go along and make sure you hand them at the end of the Conference. They help us to plan what we're going to do in the future so please do that.

Before we begin this morning's proceedings, a few new Members to introduce to you, so please stand up, Mr Simon Turrell, Mr Rob Petley, Miss Laura Al Azzawe - welcome to our new Members (applause). I'm also very pleased to welcome here Gill Brooks-Lonican as a guest of the Society. Gill will shortly retire as the CEO of the National Association of Masters Bakers. It's great to have you, and your husband Peter, with us today Gill.

Our first Sessional Chairmen today is Peter Baker who is the Managing Director of Maple Leaf Bakeries in the UK and he is formerly of Rank Hovis Milling and British Bakeries. Peter has also been President of the Federation of Bakers. Later Peter will hand over to Mike Bagshaw. I'm very pleased to say that Mike is the new Vice-Chairman of the BSB. Mike runs his own flavour and texture bakery ingredient company out of Newbury in Berkshire. He will be Chairing the last session of the morning and this afternoon's sessions.



I would now like to ask Sarah Priestley to read the creed and thereafter Peter Baker will introduce our first speaker.

Mrs Sarah Priestley read the BSB Creed.

Sessional Chairman: Peter Baker

Good morning. Our first speaker is Nick Harris, a Liveryman of the Company and a member of the Marque Steering Committee, so he has been very involved with its introduction. I am a Liveryman as well and the Marque indicates that the Company is moving towards a stronger connection with the baking industry. Nick is speaking on behalf of the Master of the Company Peter Gossage, who has to be in Lucerne today. Please welcome Nick.



The Worshipful Company of Bakers' Marque

Nick Harris, Managing Director, BFP Wholesale



Thank you very much ladies and gentleman and good morning. Can I start by thanking the BSB for their kind hospitality last night, and for inviting The Worshipful Company of Bakers to present this paper? As Peter has just said, you're listening to me rather than the Master of the Company, Peter Gossage, who is visiting the Richemont School to be with one of the lucky travel award winners from The Worshipful Company - we award the prize each year and it gets presented at the Richemont School. Peter is sorry to miss your conference but

hopes he may be invited to attend a future one to give an update on the progress of the Bakers Marque.

So what's my connection with Bakers' Marque? Well as Peter has said, I'm a Liveryman and there are several other Liverymen in the room. I have been a member of the Marque Steering Committee for some time and basically I got volunteered to do this presentation. I think actually I have been stitched up because your new Chairman, along with many of her predecessors, have been trying to get me to come to the BSB conferences for a long time, and an opportunity to get me along here as a speaker was too good to miss!

Before I talk about the Marque, I think it's worth exploring a little bit about the history of The Worshipful Company of Bakers and why it exists. Livery companies were originally trade associations in the City of London. Almost all of the original 108 associations are now known as Worshipful Companies. These medieval institutions were essentially guilds and were totally responsible for the regulation of their trades. The Bakers Company is the second oldest guild, formed in the 12th century, with a Royal Charter granted by Edward II in around 1307. Despite being the second oldest Company, behind the weavers, the bakers aren't considered amongst the great 12 companies that historically held the purse strings in the City. This ranking was formed in the 16th century, so the bakers position has absolutely nothing to do with the events of 1666 when, as I'm sure you all recall, a member of the company was allegedly responsible for the Great Fire of London, destroying 13,000 homes, nearly 90 churches, and 4 of the City Gates, whilst rendering over 100,000 people homeless - not necessarily the best PR for baking! Needless to say it took 320 years for the Company to apologise for Thomas Farriner's accident, but still deny all liability.

The Company existed to control all bakers in the City of London. If you wanted to bake brown or white bread, you had to have gone before the court and be elected a Liveryman. Under the Assize of Bread & Ale of 1266, the price of bread was fixed, but the weight was allowed to vary according to the cost of wheat. The Assize was governed by the court of the Company. Bread was considered so important that the executives of the Company were sworn Officers of the Municipality. The Company controlled prices, weights and ingredients, essentially an EHO, a trading standards officer, and a compliance officer, all rolled into one.

Some of you might have seen in a recent edition of the Great British Bake-Off the punishments for failing to comply with the rules. They were various, starting with a simple session in the stocks where your customers had the pleasure of throwing rotten food at you; being dragged through the streets on a stretcher, again to have rotten food thrown at you. The ultimate punishment was to have your ovens destroyed by the Beagles' henchman and expulsion from the Company.

Part of the control system in place from the early 13th century was that every baker had their own Marque or 'dock' that had to be clearly visible on every loaf. This Marque was awarded by The Worshipful Company. It attracted an annual fee, and of course the bakeries were subjected to regular checks. As today, bakers took pride in their products and so the Marques were jealously guarded and forgeries, or impersonations, were pursued to trial. Therein lays the inspiration for the 21st century Bakers' Marque.

As we all know, bakery is once again a very popular market to be in, one of only two skills, along with butchery, to be showing growth on the high street in 2011. During his 12 months in office our Master Peter Gossage wanted to re-establish the links between the baking craft and the Worshipful Company. He believes very strongly that we must be able to help promote traditional baking without prescribing what can or cannot be used, and so the Bakers' Marque was born. This is a prestigious Marque designed to help the owners of bakery businesses promote their craft and skills in a highly competitive market.

There are four principles underpinning the award of the Marque.

1. The Bakers' Marque from The Worshipful Company of Bakers is designed to recognise local bakeries that mix, make, bake and sell their own products. This doesn't mean that you can't buy-in some products, but the core of the business must be made in the bakery.

2. The award recognises the high level of skill, the commitment to staff training, and the role of the bakery in the local community. Every day we hear about skills and apprenticeships, and again yesterday at the Labour Conference, it was a key thing about apprenticeships. The Livery awards annual training scholarships, so training and a place in the local community is a key principle. It's not necessarily true in the large cities, but there are many towns and villages in the UK where the bakery is one of the largest employers. It is a very important role with a huge responsibility but is often given little recognition.
3. Any product bearing the Bakers' Marque must be produced in a safe and hygienic environment that complies with all applicable legal standards. The Company doesn't offer an EHO style audit, but any qualifying bakery must comply fully with all relevant legislation. Any Enforcement Orders will jeopardise the award.
4. The fourth principle is to enable you, the consumer, to make an informed judgement before purchasing, with product provenance, weight, shelf-life, ingredients and allergen information being readily available on request. The principles are to be clearly displayed so the consumer must feel that they're able to ask any question regarding the products on display or being sold to them, and that all information must be readily available.

So how does it work? The Marque is available to any bakery business in the UK. You do not have to be a Member of The Worshipful Company or of any other trade organisation to apply. On application the bakery will be audited against the prescribed format to ensure that it complies with the principles. This audit will be carried out by a suitable person with bakery experience - as a baker or in bakery education. Should the bakery fail, then guidance will be given and an opportunity for a re-audit offered.



The award is made to the bakery under the directorship of a named individual. We believe that this is crucial. Should the named person leave the business, for whatever reason, then the bakery will have to notify The Worshipful Company and be re-audited for the business to continue to use the Marque. Some of you may be familiar with the Michelin star system for

restaurants, and it's very similar to that. If the chef leaves the restaurant has to reapply to keep their stars; so it's a very similar principle. Once the award has been made, the bakery can use the Certificate on all of the point-of-sale material to promote their businesses. Rice paper logos will also be available for use on baked products. Some examples of the materials are shown here, and there are some marvellous bread at the back produced by Dunns of Crouch End demonstrating the Bakers' Marque.

Does it work? Well, we've had six companies in the south east of England trialling it. Four of them are retail bakeries, then there's a



Bakers' Marque Bread brought to the BSB conference by Chris Freeman of Dunns, Crouch End, London

wholesale bakery and a farm shop. Not all of the bakery directors are Members of the Livery, but the fact they're all in one area is because it was easier to get the Marque up and running closer to London.

At the moment, the only products branded as Bakers' Marque are breads, which has been the choice of the business owners. With the growing interest in bread, and the increased press coverage given to the Real Bread Campaign, amongst other things, I think it's telling that the six businesses have all chosen to promote their bread in the first instance. All six companies report an increased interest from their customers and their local press. We all know that any PR opportunity is good, and all of the business have benefitted from it, with the wholesale bakery, in particular, saying that their higher profile customers are particularly interested in promoting Marque product to their end users.

Perhaps most importantly all of the Marque products are being sold at a premium price. It can't get much better than that, can it, when you're chasing around looking for added value! See below the Master handing over Certificates to the trial bakeries, from left,



Kistrucks, Dunns and Kindred Bakeries, with obvious pride on both sides.

What happens next? Well, the Company is extending the promotion of the Marque, with the ambition of having many more bakeries being signed up before the Master, Peter Gossage, hands over the reins in November. The Bakers' Marque website is up and running and a presentation on the Marque was made at the Bakers Fair in July, with a similar presentation being made this weekend at the Bakers Fair in Harrogate, and of course, I'm here today telling you about it. All these presentations are generating interest and we have had a number of applications to join. Once we have a broader geographical spread of Marque bakeries, then we'll start talking to the national press about the bakery businesses involved and the principles of the award. We believe very strongly that we need to have a firm foothold outside of London before talking to the national press. This award is all about promoting the essence of our industry, baking.

Is there a catch? Not really. The audit fee is £250, which is non-refundable and must be paid before an audit appointment is made. Thereafter, there's a minimum annual fee of £150 for the ongoing use of the Marque and having access to all of the point-of-sale material. Upon passing the audit, there's a discount offered on the first order of materials. The Marque can be awarded to any UK bakery business. The Worshipful Company's hope and desire is that the Marque will be seen as a sign of prestige and quality. While there is no requirement for membership of any trade organisation with the application, I'm sure that if the Marque also serves to promote The Worshipful Company, then no-one will complain.

Ladies and gentlemen, thank you very much for your attention. I hope you now understand a bit more about the Bakers' Marque, and I'll do my best to answer any questions you might have. Thank you.

Peter Baker Thank you very much indeed Nick. I'll just open it up for questions

Question: Sara Autton, Chorleywood Are there any plans to extend the Marque's range, as it were, into Ireland?

Answer: That's a good curve ball to start off with, thank you Sara. I don't know. It's not something we've talked about, so I'll take it back and ask the question.

Question: Jenny Connor Can you just talk me through the range; is it just on one bread product that people have had it, or is it across the range of their bread, that they got the Marque for general bread, or is it for one particular loaf?

Answer: It's actually the bakery that's awarded the Marque, and it's down to the owner of the business as to which products they choose to promote. It's just that at the moment the six trial bakeries

have all chosen bread, but that's their choice, so it's entirely down to the bakery owner, to the person that's been awarded the Marque, they can decide what they want to promote.

Question: Jenny Connor I'm looking to start up a bakery in the village where I live, so my next question is - how long does your business need to have been running, is there any time on that?

Answer: There's absolutely no time at all. You need to be a registered company, that's the only qualification.

Question: Robin Jones, The Village Bakery Is this aimed just at retail bakers or could we wholesale this product as well to the major retailers?

Answer: One of the trial bakeries is a wholesale bakery. He has no retail shops at all. It's aimed at any privately owned bakery business.

Question: Peter Baker My question is about advertising and support material. What are the plans to get the consumers' awareness, and who pays for it?

Answer: I'll take them in order. What are the plans on the PR? The trial bakeries themselves have been helped with the PR, and Alex Waugh from nabim has very kindly made his PR person available to help with that. The plan is that really we believe we need to get a good geographic spread of bakeries before we go to the national press. Then The Worshipful Company will invite the press to an event and tell them how many bakers there are in the UK with the Marque, and what the principles are for being awarded and using the Marque..

In terms of the help and who pays for it, at the moment it has been paid for by The Worshipful Company. As the numbers grow, certainly the support will be there, and the contacts will be there for the press, but local PR will have to be run by the local businesses that have the Marque.

Comment from Alex Waugh, nabim: As Nick was saying, I think the first thing is to get the scheme established and running properly so that everyone is confident with how it works. The classic soft launch you might say, before we try and generate big publicity for it. It's a separate thing from the Flour Advisory Bureau's normal activity. We think it's going to be complementary, because the Marque is all about supporting baking, in this case local baking and local bakers, but that works very well with the promotion of bread per se. The nice thing about the Marque, in comparison with, say, something like The Real Bread Campaign, is that it's entirely positive, it's not about knocking somebody else, it's about saying what's good about what these particular bakeries and what they produce and that's to be celebrated.

Peter Baker Can I ask one more question of Alex. Will you be putting your hand in your pocket at some point to help?

Alex Waugh; We haven't got to that point yet.

Nick Harris I would say that Alex and everybody else on the Steering Committee, have already dipped their hands in their pockets in giving our time and commitment to help get the Marque up and running.

Peter Baker You mentioned auditing and monitoring. I wasn't clear if you were going to do that on a regular basis or just as things occurred?

Nick Harris To start off with, you need to pass the audit to qualify, and then there will be a regular regime of audits to make sure that the bakery (a) continues to run in the proper manner, and (b) the person is still there that it was awarded to, so yes, the audits will be ongoing.

Peter Baker, Sessional Chairman Thank you very much Nick. (Applause)

It's now my pleasure to introduce you to Nick Tatum, Tesco's Bakery Category Director. Nick joined Tesco in 1988, working in stores across the south of England until 2009 and he is now part of the Fresh Food commercial team, looking after Bakery in the UK for Tesco as Category Director. As you will know, Nick has been very hard at work, and with a lot of success, on revamping Tesco's in-store bakeries, and we look forward to hearing more

about the revamp. So on the day of Tesco's half year results, we are very grateful for you for sparing the time to be here Nick.

Tesco Bakery Products

Nick Tatum, Category Director, Tesco plc

Good morning everybody. My thanks to Peter (Jones) for inviting me to do this presentation. I'm going to talk to you about Tesco's Instore Bakery division but I think that what I'm going to say will have quite a lot of significance to other types of bakeries in terms of why we did what we did, how we did it, the knowledge the team had before we started, and what results and success we have had in doing the revamp.



I only took over responsibility for bakery at Tesco in October 2011. I've never been a baker but I can bake, because when I was a management trainee we were sent to do anything in the stores. Every time an instore bakery was short of staff, we were sent in to make up the shortfall. I therefore learnt very quickly and quite successfully how to bake, how to cheat, and how to warm things up! When I was working the bakery, one thing I learned was that everybody was incredibly passionate about the product we were producing. In that passion however, there are a couple of things that were concerning: you were so wedded to what you were doing and so passionate about it, that you become a little bit blinkered to what was going on in the wider world around you!

The marketing scene, in terms of what we had at the time, was that in the UK there were a lot of artisan bakeries opening and there was a coffee shop culture that was taking over almost every high street. I live in Amersham and I think we've got more coffee shops there than any other type of shop. They had an amazing ability to sell reasonably decent products at a premium price, which is something that as a simple retailer I wanted, and we didn't look at it. What we did do was ask our customers what they thought about Tesco, and in particular about instore bakeries. We asked them what they thought about bread in general and it was a brilliant place to start because we learnt a whole lot of things.

Tesco Customer Responses to Being Asked "What do you think about Tesco instore bakeries"?

- *My experience of the bakery influences how I feel about the store. Typically, it is the first product I consume on the way home.*
- *The range and the selection of products give the impression of "good enough" vs. "better"*
- *The packaging does not do justice to the quality of the product*
- *I normally buy the same few products but I get more satisfaction when I do buy the odd occasional treat*
- *I spend more time browsing in speciality bakeries*
- *Metal shelves do not make a bakery feel like a bakery*
- *Tesco bread is sometimes very good but at times just ok*
- *I would consider buying anything as long as it is "freshly baked"*

Above is the experience of the bakery which our customers told us influenced how they felt about the store. It was absolutely one of the critical things in terms of when they were in the store and how they felt. We had the ability to make them feel good. The range and the selection had to be the best. They didn't have price tiers for products in the way that they looked at it. When they go into an independent bakery, it doesn't have Finest, Taste the Difference, Extra Special. The independent bakery basically gives you the best product it can. Our customers couldn't understand why we produced products that said, 'this one is okay and this other one is really good, but if you want 'really good', it's going to cost you.' They didn't understand that. Fresh independent bakeries were really simple for them. They wanted it to be the best they

could be and gave them the best experience. They told us that at Tesco we were incredibly functional in our look and feel, and in our packaging. There wasn't any warmth or any humanity about the way we did things. When we looked at things, **we were** what our customers said we were! Our goal was, "how can we make as many loaves of bread, as many doughnuts, as many muffins, as we can"? Fire them down the line and make it simple. Basically I think most supermarket groups were roughly doing instore baking in a similar way. So when we looked back at ourselves, we found that we were benchmarking against the wrong people and therefore we weren't matching our customers' expectations.

The other thing we understood from our customer survey was that they said they'd buy anything that was fresh. So as long as it was fresh, they could smell it, it was warm, and they had a chance to try it, they were open for us to sell almost anything to them! This gave us a chance to do some other things as we developed the bakery range in Tesco. The final thing they told us about Tesco was that on a good day we were good enough but when we were trying to do this, a lot of our stores disappointed, and on a really bad day, we either didn't have any bread or it wasn't worth buying. So we had an operational challenge, in terms of us having about 2,000 bakeries around the UK doing varying degrees of production, from 550 at scratch and 1,500 at bake-off. We just weren't good enough and we didn't execute it consistently.

Now what we've done is to transform our instore bakeries. Essentially the original layout is very bright and garish, there's a lot of metal. The new layout is a lot softer, we changed the packaging, we've put wood into the fixture, and we changed the way it looked and feels in terms of our general operation. We've done the window dressing



Original bakery display layout

would be my caveat, in terms of where we've done it. We've changed the products, we've changed the fixtures and we've changed the packaging. We've still got a whole load of stuff to do with our operational team, in terms of getting the care and attention for the products right, getting the package improved to make it slightly more sympathetic to what we're trying to do, and also to then work with the skills, knowledge and the care of all of the people that work in the stores. Now, effectively, I've got a target population of just under about 70,000 people I've got to try and engage in what we're trying to do. They've bought into the products, because the one thing I've learnt about Tesco in the 24 years I've been there is that we do care about products, irrespective of what it looks like when we put it on the shelves. They do care about what they're doing but I've just got to help them



New bakery layout
care a bit better!

So what did we do after the customers told us it was wrong? The first thing we realised is we were benchmarking against the wrong people. Effectively, our target was, "could we be as good as Sainsbury's"? "Could we be as cheap as Asda"? And effectively, in terms of when a customer goes in to a store, that isn't designed to delight the customer, because they don't turn round to you and say, 'do you know what, if you could be as good as Sainsbury's...' or 'if

you could be as cheap as Asda, that is absolute perfection.' When we spoke to customers about buying bread, it was a really simple conversation, because they'd go back to really great moments that involved families, holidays. It generally involved the sun, and about good thoughts. It didn't involve where we were benchmarking our products!

We then gave a vague brief to all of our suppliers to "Give us the best products that you can? Don't worry about anything, go out and look at the wider market and see what you can do to make what you come up with really exciting". Our suppliers responded and we saw thousands of products, loads of variations of it, and we worked really hard. We learnt very quickly that because we were benchmarking against the wrong people, we weren't giving the customers what they wanted and what they deserved. So we fundamentally changed what we were offering them! We had some barriers in the way of what we wanted to do. Now I'm not saying that Tesco instore bakeries are artisanal bakeries because we're not. We have a huge bakery setup throughout the stores and a large supply base that help us. We have a large section of the industry behind us and helping us. However we are critical in terms of how people feel about bakeries in the UK, because for so many customers, buying bread in supermarkets is what they do, and, therefore, we felt we had a responsibility to get it right. We have a responsibility to give them a choice in terms of the products we give them and to ensure better quality freshly baked bread in our scratch instore bakery stores, and in our bake-off stores. We worked really hard with our suppliers to give our customers the best we could, and benchmarked scratch baking as our opportunity to do so.

Tesco's instore scratch and bake-off bakeries are built for efficiency. We want to take as many products through the production and baking process as quickly as we can and sell them as quickly as we can and as cheaply as we can to the customers, and have a whole experience. So what *Philip has been talking about today on Radio 4, and it will be largely covered in most of the press tomorrow and this evening on the news, is that his plan is for building a better Tesco and making the experience for customers when shopping at Tesco more warm and more human. *Philip Clarke, Tesco's Chief Executive

What we've done on the bakery side to help achieve this is to introduce wood for displaying products. Originally we had looked at what the competition did and wicker baskets and trays were everywhere. However when you listen to your customers, they tell you things that are important to them. They may be, or may not be, true but when the customers tell you it's important to them, you have to listen. They told us they didn't like wicker baskets, because they thought crumbs and other debris got stuck in the wicker lattice and they didn't trust us to clean them frequently enough. So wood, because it looked like it could be wiped down, they could see it was clean, was better. We turned round and said, 'okay', so we have changed to wood for displaying our bakery products and there's no wicker display units being used in Tesco. That change was because of what the customers told us and they still tell us



they think it was the right thing to do. They also told us that they wanted brown paper bags and brown boxes as packaging because they felt it was sympathetic to the product. They told us that when they bought speciality bread in a brown paper bag, they could roll the bag down after they had taken out some slices and that locked-in the freshness of the product. I have to be honest and say I don't know whether it does or doesn't hold in the freshness, I'm not a skilled baker, but as far as the customer is concerned, by changing



to brown bags we gave them an opportunity to lock-in some freshness and make the bread they purchased last a little bit longer. So far our customers have liked what we've done and today my team are in the City to do a presentation to all the City analysts.

We had to invest heavily financially in making these changes, and interestingly enough when I say 'we', it's sort of the royal 'we', within the supply base and within Tesco. However we have not turned round to our suppliers and said: this is **what you're doing** and then looked at it. Tesco has backed these changes themselves. In a very short space of time, we went from having the idea in October 2011, launching the first store in February 2012, and this being in all stores in May. We also backed it up with a TV advertisement featuring the changes we have made and we will back it up again on TV.



We've changed all our packaging to make it look better and we've invested quite heavily with our suppliers in terms of products, to make sure that if it's an everyday product, like a loaf of bread, we don't have Finest in Tesco anymore, what's now our standard bread was our Finest. So we benchmark that against Taste the

Difference and Extra Special and Morrison's Signature brand. We have made these changes quickly and to change a bakery division the size of Tesco's isn't an easy thing to do in a month or even in a year to be honest. What we've done is start a journey, I think would be the best way to describe it. The journey actually started with nobody else other than James Cornish, the Bakery Category Purchasing Manager, the bakery team and me. Even though we're incredibly proud of what we've done, we realise that it's only a stepping stone to where we want to be. We have already introduced fresh cream cakes to an instore bakery in a store to see whether or not we can have a fresh cream cake counter. We have trained our instore bakery team to hand pipe the cream into the cakes and to do all of the other decoration, such as icing and chocolate coating. The customers didn't believe we were making the cream cakes in-store, so we have to convince them that we are making them on site.

We've got to increase our personalisation, in terms of the offer in our stores. If a store is in an affluent area, or price sensitive, our offer in the store has to be right for the economic environment of the area. A £45 celebration cake may sell in an affluent area but may not be appropriate everywhere. We've got to improve the fresh bakery offer, so we have a very clear bakery and a very clear patisserie in terms of what we're going to try to do in them, and in our Extras to create destination bakeries. The key thing for the team isn't to look back at themselves and say, do you know what, we've arrived, this is good, this is exactly what it is, because the customers are changing.

Philip talked on Radio 4 this morning about the economic environment we're in at the moment being the new norm. Nothing's going to change in this respect as far as our customers are concerned in the next 3 or 4 years. What they do want is the opportunity to give themselves a treat and to share that treat experience with their family and for that to be a great experience. Having the privilege of running the bakery for Tesco, I have an opportunity to be part of that. I believe we can give customers affordable treats. We can give them the best doughnut they can have, give them great cupcakes, fantastic cookies, a loaf of bread that goes with a family occasion on a Saturday lunchtime that just makes it special. I think we all can, not just Tesco. All the people in this room have a fantastic opportunity to do it. But we cannot be wedded to 'as it is now', we've got to change and look at the 'to-be' of the future, and that's going to involve a lot of change. It's going to involve taking a lot of our suppliers with us, and it's going to be evolution, as opposed to us just arriving at the position we're in.

Well that's what we've done and I hope it has been helpful in trying to explain it to you. Whether you're a big or small, a manufacturer of bakery products, or a supplier of ingredients, that mentality is what we're going to take to go forward. We're aiming that it's a winning mentality and it's very important because the customers are fundamentally changing. They are changing their aspirations in terms of life and need to find things that are pleasurable and affordable, and they're changing the way they shop. They're on more high streets, they're shopping around, and they're incredibly savvy about what they're doing. They're checking prices and value for money in terms of quality. This is in the front of their mind, and we had to change. It's no disrespect to where we were, we were just wedded to it and we were looking at the wrong people. When you listen to your customers and decide that they're actually more in-tune with what they want than you are, you have to change, and that's what we're doing.

Peter Baker Thank you very much Nick. The passion you have shown in your presentation is very encouraging and great to see. I know Tesco have put their heart and soul into these changes, and it's a delight to see the results in-store. If I could ask for questions?

Question: Richard Smith, Leicestershire Nick, very interesting presentation, many thanks. You mentioned I think at the outset that your current profile is about 550 scratch bakeries and 1,500 bake-off. Do you see the profile changing following the investment in the Tesco instore bakeries?

Nick Tatum If I'm honest with you, no, and the reason why I say no is that we're continuing to build Tesco Express stores and Express is not within the scratch bakery model. What we've got to

do for our customers is to make the scratch bakeries we already have in stores brilliant! So we will be investing, with some of our suppliers, in a bakery school in the next year. We will be training our in-store bakers to do a great job. Now once we're doing a good job with what we've got, we might look at it in terms of the rewards and moving it further than that. I believe that what customers are looking for in Tesco are consistency of service, consistency of offer and consistency of quality and we've got to find the best way giving them this.

Question: Rob Petley, Allied Bakeries Nick, you spoke briefly about personalisation in terms of how you've rolled out the re-launch. What are the key challenges you're finding, especially on a regional basis. Tesco is a national company so how do you deal with those regional variations?

Nick Tatum There are two things we can do in the short term in terms of personalisation: 1) we have Clubcard which enables us to communicate with customers, because we know what they buy and what they like to buy. So we'll be able to help them in terms of any changes we make in terms of why we've done it, what we're doing, and how that's going to look. Bakery has the ability, because of its low price point, to be an affordable treat to a lot of people. However if everyone starts creating the most amazing bakeries but the price point goes from being, say, an average selling price of £1 to £2, then a lot of customers will switch off. We have to find a way in those stores of finding the appropriate products and appropriate price points for them. I'm working with John McAlpine, the Operations Director for the North of England and Scotland, at what the offer needs to look like in those stores to try and make sure we can do it. 2) the other group of people we're looking to personalise is families. Families, especially those with young children, are squeezed at the moment in terms of the money they've got, and the ability to give them a treat is really important at the end of a week, or when people get paid. So again, in terms of our personalisation, for those specific customers in all of our stores, we've got to find a way to get either an offer to them, and we'll either deliver that through Clubcard, which I think would be a great opportunity for us, or we'll do it in the store in terms of a very specific offer for them. So that's roughly what we're looking at the moment.

Question: Sylvia McDonald, Croydon You spoke about staff training in your presentation. How is it going to change?

Nick Tatum We're building our own bakery school. We have been looking at a location for the school with one of our suppliers for a while and have found one. Previously it could get complicated when we were trying to encourage bakers to come and stay in a hotel near where the training was taking place. We limited the risk by having our own Tesco training centre in Ponsbourne in Hertfordshire, with our own hotel.

The site we have found is in Enfield, where we will build the school and a bakery. Effectively, what it does for me are a couple of things. It gives us a test bakery, which we haven't got at present. This is not a new thing. Asda and Sainsbury's have test bakeries. We haven't and we're the largest retailer, so this is us catching up. It will give us the ability to train our existing teams, and to train staff for our new stores in the right way.

I'll be clear – we will be training bakers to produce and bake Tesco's products. They're not going to be master bakers after the training. You're not going to see a hand-made wheat sheaf bread piece on the shelves because that's not what we need. What we need is for the bakers to be able to deliver an 800g loaf that's brilliant, with consistent quality, a good crust, and a light and soft centre; and to produce a French stick that doesn't fold in half as you take it out of the display stand. To start off with we're going to teach people to do things correctly to our requirements and if something is not right, to not put it on sale.' So we're working very hard. Mike Coslett, our Bakery Category Operations manager is very passionate about what we need to train our bakers to do. We've just been slow in doing it, so we're now catching up would be my summary. Martyn Leek described what we've done in terms of the launch of the new equipment in the British Baker and it is about us catching up. My goal in the next year is to get in front.

Question: Peter Jones, Cheshire I have to say the speed that you made the changes and the ambition behind them, was fantastic. I

don't think anybody's ever seen anything done quite like this in an in-store bakery. From all the things you've done, what's the one thing you're most proud about and the one thing you're most disappointed by?

Nick Tatum The one that I'm disappointed by is that we had a choice which is, do you change the offer for the customer and then try and take the stores with you, or, do you take the stores into the right place and then change the offer to the customers? I'm disappointed we couldn't do both of them at the same time and I think some customers aren't getting the true benefit of what we've done. I think where you end up at the moment, if you look in a Tesco store, is we've got some brilliant stores, and they're absolutely flying, and they're showing total bakery double digit growth, and the customer feedback from those stores is incredibly positive. But equally I know that I can go into some stores, we're going to refit one and retrain the store in a couple of weeks' time near where I live, you go in there and the products are better, the execution is not. We have an inability to deliver the packaging consistently in terms of showing the product off.

The thing that I'm most proud of is the fact that, even today, Philip (Clarke) loves what we've done. We all work for somebody, whether it's a shareholder or whoever it might be, you have a boss, and Philip presented to the City today and built a Tesco bakery for the presentation. We haven't got a fully functioning bakery, because we baked everything in Enfield and delivered it in, but our teams today, in terms of whether it's from the supply base or my team, have been working overnight for Philip to be able to use that as a beacon of what building a better Tesco looks like for him, and hope for the future, which, for the team, is probably more powerful than anything I'll ever say to them.

Question: Helen Ross, Fine Lady Bakeries Nick, what's your opinion of the roll-out of in-store products in stores such as Lidl, and the increased quality in bake-off product in Budgens?

Nick Tatum Everyone's raising their game. When I started in bakery in October 2011 I've got to be honest, as an industry, we've got to find a way of improving our pattern. I think the first introductions I had were, 'we're in a 50 year decline'; 'people aren't eating bread', it was really quite depressing. I thought, I've got no hope because everyone's telling me that this isn't where it is. But when you go along the high street and you look at all of the opportunities that are taking up in terms of independent bakeries, if you look at what the discounters are doing, everybody's trying to raise their game on bread, on morning goods, and on the industry. People are just eating slightly different products. I think what we're learning is that by delivering great products, by delivering them little and often and fresh, there's growth in the market for us. It's just a slightly changing world. It isn't all about an 800g loaf anymore, it isn't all about white bread. There's a whole load of things.

I had the privilege of going to the IBA bakery exhibition in Munich this year. Walking around this vast exhibition with 12 halls, there was low-carb bread, bread being made with different flours, there was a whole load of stuff going on where people were looking at the bakery industry in a slightly different way, which I found very exciting and quite invigorating. I think the stuff that Lidl are doing, and they've done a lot already in Ireland, in terms of the way that they've looked at it, is fine. No doubt Aldi are not going to be far behind in terms of a bake-off offer. It's got a massive part to play in terms of the way that people feel about bread in the UK. Sometimes I think they've been described as 'tanning salons' by various parts of the industry with regard to bake-off. I think that's going to be how people will eat bread. A lot of people eat bread, and we've got to make sure, as a retailer, that it's not just good enough; it has to be a really great quality product because we want more people to buy fresh bread. They're going to come and it's going to be challenging, and I've got to be awake to it and clear that that's a good thing for us to have.

Question: David Roberts, Northwich You speak eloquently, authoritatively, with great enthusiasm about the quality of bread, and that's very dear to all of us here, but one of the things I feel about bread is the development of crust and the retention of crust, and the way that's preserved to the point-of-sale. I think there are so many cases where, because of the speed and the rush with

which you need to bake-off, you slip through the net of giving the product a decent time in the oven, which is the way to get crust penetration. Convection ovens blow the heat over the products being baked very quickly and evenly but quite a lot of times you get the baguette which you referred to, which folds in half because it is under baked. To avoid this you really need a convection oven, and I just wondered whether you had an observation on that?

Nick Tatum If our Bakery Category Operations Manager Mike Coslett was here he'd have a really good answer on this. One of the things I've learnt in Tesco, is that there were too many people involved in our bakery operation, whether it is the people ordering the stock, to who was buying the ovens, who was laying out the bakeries; there were a whole load of things within Tesco affecting how we looked at it. I have made it very clear to Mike that we are the owners of the bakery operation and we have the whole process, in terms of what our bakeries are going to look like going forward and the equipment we require. Now the challenge is that we've got a lot of old in-store bakeries and a lot of very random pieces of bakery equipment. We've got 28 different types of bread plant in our stores and a variety of mixing equipment and roll plants. So when Mike's trying to standardise something, it's a very difficult for him to get it right, because we don't know what's going on in all of our stores equipment wise. What we're trying to do is two things: 1) when we build our bakery school we will put in all sorts of equipment so we can evaluate which suits our requirements best but it's going to be, excuse the pun, a long burn, in terms of the way we approach it. 2) We're looking at doing a concept store in our Extra format, in our superstores, and in our Expresses, to make sure we can deliver the product that we want, and then see, once we've got that blueprint, what it's going to look like.

Philip, in his presentation to the City today, would have said that 25% of our stores will be refreshed this year, in terms of a new look and feel. So you are in Bishops Cleeve, in Essex, Amersham or the Home Counties, the stores there have moved the whole of the fresh foods offer to the front of the store. So if you walk into Amersham now, which is my local store, you enter produce first and from produce you go straight into bakery, and from bakery you go to some new counters. It has fundamentally changed the way that our customers shop in these stores. What we're trying to do is invigorate our stores. I've got to be clear- it's not going to be next year, around how we change our bakeries. We're going to do a store in each format next year. It will be what Mike says delivers us the right product, and then from there we'll go to a simple position that says, "this is what it's going to look like, and this is how much it will cost", and just like everybody, we're capital constrained, we're not just flush with cash, and, therefore, with Philip it's a decision in terms of where we get to. We know where we're wrong. We've got a very random selection of equipment in our bakeries, and I'm really clear that that's because we've had an owner for everything, as opposed to an owner for the whole, and I'm accountable for the bakery for Philip and Tesco, so that should change.

Question: Jane Houzer, National Bakery School I just wanted to ask to what extent does your customer research on bakery, indicate that having a good bakery offer changes consumers' buying pattern in the rest of the store? In other words, is bakery leading, and is bread buying leading shopping patterns for the other products that's in Tesco's, or is it behind?

Nick Tatum Fundamentally, what we know, and every year the company does a brand review as well, is that the way customers feel about the bakery in a store fundamentally changes the way they feel about the quality of that shop. My reason for talking about consistency is that the more consistent we can become in our stores, the more we can improve the quality perception of Tesco as a company, and the more we can warm people to the overall brand. It's a leader in terms of how people feel about Tesco. The reason why Philip's talking to the City analysts today about it, and the reason we built a bakery there, is that he agrees and he understands what the customers have told us. It is absolutely a leader in terms of how people feel about the store, the shopping trip, and it's one of the first products that they eat when they leave the building. So if you have children and you want to keep them quiet, then ripping a bit of cookie off, giving them a doughnut, or chucking the end of a French stick into their hands to keep them

quiet isn't a bad thing. If you've done a trip to a supermarket, and you want to have something that's a little bit of a treat, having a nibble of it straight away; there's nothing better than a fresh loaf of bread. If you get home and you make yourself that first sandwich, actually shopping doesn't feel so bad. So it's clearly a leader in terms of how customers feel about it and very important to us.

Question: Martyn Leek, British Baker Just briefly, I know you spoke at length about how the consumer used to view you, could you say what your research has shown so far midway through your revamp as to how the consumer views you now, are you hitting the right notes for them?

Nick Tatum What we do is every time we refresh a store, and during the course of the year, we do a whole load of stuff in terms of where we speak to customers. The challenges are quite simple in terms of our customers. Money's tight; value for money is an absolute proposition that we've got to get better at. We've got to find a way of taking our customers with us as we try to improve the overall quality, and we'll learn from them what they think is an acceptable price point for that to be. This won't be overnight, but when you talk to them, they're already developing their favourite products. So whether they're trying the walnut bread, which is one of my personal favourites, whether they've got the stuff that we've done with the croissants, the bite mini doughnuts that we're doing. Going to smaller sizes has been an absolute win for us, because what customers have told us, "do you know what, I don't know how many calories there are in a large cookie, or how many calories there are in a huge croissant, but it feels like a lot, and the thought of being able to give myself a mini one, and treat myself, is a really nice thing to have done". I saw it in Starbucks in the US, in terms of where they did a whole load of minis to try and encourage people to trade into it. We looked at it and when we spoke to customers about it, that was a nice trend in terms of one that they liked, and one that they then said, do you know what, that gives me a chance to buy some of your products. So those things they really liked.

The challenge is going to be selling anything at a premium and trying to create value in the current economic climate is fraught with danger. It isn't all about premium, some of this stuff is going to be about everyday value, not Everyday Value as in the brand we have, but it's about everyday value to customers, a decent price for a loaf of bread. The industry as a whole has got a challenge in terms of wheat prices going up, labour costs going up, pensions, and all of the other things that people talk to me about. Our need for inflation in the industry is quite high, but the risk is, at the moment, that we are selling a staple product and we've got to be very careful about it.

Peter Baker I think that's it for questions and we're on time. Thank you very much indeed Nick. (Applause)

Peter Baker Our next speaker is John Figgins. Prior to joining the BRC John spent 11 years at Sainsbury's in a product safety role, primarily working on allergens, chemical contamination and authenticity. Before that he was at the Laboratory of the Government Chemist, again working on food safety and composition. John is the author of the Interpretation Guidelines for the new BRC6 Standard, so we are going to enjoy learning about where we have got to on this. The BRC are taking a fairly different approach in a number of ways to the audit that we have all been familiar with in the past, and I think working towards becoming a more recognised Standard, lifting their game, and also becoming more global. My Canadian parent company, Maple Leaf Bakery, is certainly taking BRC Issue 6 very seriously.

BRC ISSUE 6 – The Story So Far

John Figgins, Technical Specialist - Food, BRC

I understand that we have quite a diverse audience this morning, with people that are familiar with our Standard, and some who are less familiar. So I'll cover all the points required for those of you who are into the detail of our Standard because you are using it frequently and those that perhaps need more of an overview of it.



The BRC Standard started life in 1998 with a group of UK retailers who felt that there should be a standard for safety, quality, integrity and legality, and that it should be a standard for all food manufacturing sites based on certification of those sites via an annual audit, demonstrating that an assessment on the site has taken place to ensure it meets the correct standards. We have moved on a long way since then. Now the Standard is not written by the UK retailers, it is written by international panels comprised of retailers, food manufacturers and various stakeholders, with international input, particularly from Europe and from North America. We heard from Peter that his parent company Maple Leaf Bakery are very keen on this, and indeed they helped, and are continuing to help, in the development of the Standard in North America. Those who have worked in North America will realise that there are some nuances within the industry that we don't see in Europe and, as a consequence, it is useful to have input from North American manufacturers that are very on-board with the current requirements. As such, the BRC are no longer the writers of the Standard, but the guardians and promoters of it, aiming very clearly, with our vision statement, to promote and improve food safety on an on-going basis worldwide.



BRC Issue 6 With such a complex Standard, we don't make changes lightly, but in 2010 it was felt that the Standard needed to be updated. It is vitally important that it remains up-to-date and relevant, and that it continues to drive improvement through the industry. Therefore in July 2011, after a considerable consultation period, the new BRC Issue 6, was launched and came into force in January 2012, with the first audits taking place in the first few days of January. Along with the Standard a number of other documents were published, not least the Interpretation Guideline, this is now available. A series of 'frequently asked questions' were also published since when a new Standard is developed, it is inevitable that there will be many questions raised about it. These documents were translated into 12 key languages to reflect the fact that we have users across the world.

The main aim of the review was to meet our customers' needs, and we spent a significant amount of time finding out exactly what they were and trying to target them. The biggest one from the manufacturers, as you might expect, was "can we do something to reduce the number of duplicate customer audits we get every year?" So we spent a lot of time talking to these manufacturers, and to the retailers that required the audits, to establish what was needed to bring the Standard as close as possible and include as much synergy as possible to reduce the number of audits required. This remains on-going area of activity.

There were a number of other pieces of the jigsaw we needed to do at the same time, not least of which was:

- To update current best practice and reflect that in the Standard.
- To refocus the whole audit process and we'll come on to the changes to the audit process in just a moment.
- To look at how value could be added to the audit report without adding cost or time. Nobody wants their auditors to sit for hours typing up a report, since that costs money and doesn't necessarily give immediate, obvious value. So it was important to update that to give as much value to that report as possible.

- Finally, it was recognised that we needed a mechanism to acknowledge those sites that perhaps had never been certificated to a quality standard before. To have some way of encouraging a company that was not ready for full certification to commence the journey of getting better in their food safety standards and working with them towards full certification to the Standard. This is particularly important worldwide because, although in the UK we are familiar with working to set standards and safety requirements, there are parts of the world where the whole concept is new. So we developed the 'Enrolment Scheme' where sites can start this journey.

Audit Changes One of the key changes was the audit update, totally refocusing the time and activities spent during the audit. Sites that have been audited to Issue 6 say the refocus on spending time in the factory is a notice change. Historically during an audit, the auditor would spend a lot of time in an office checking paperwork and while this paperwork is vitally important and relevant to our industries, it is not where the real activity is taking place, which is in the production environment. Therefore we have now tasked auditors to spend 50% of their time in production looking at activities there, rather than sitting in an office looking at paperwork.

To achieve this there have been a number of supporting activities, not least of which in the Standard are:

- Highlighting which parts of the Standard should be audited by paperwork, and which should be by reviewing activities in the production area.
- Increasing the amount of time spent on activities such as hygiene and cleanliness. Most audits happen on a day when the manufacturer knows they are taking place, and historically people have gone round with a metaphorical duster, making sure the surfaces are very clean and shiny, which is natural. I would do the same if I was being audited! Now auditors have to look at equipment that's not in use, perhaps take covers off to look inside them, to inspect whether or not what they see on the surface is truly representative of the general cleaning practices that are taking place. You'll be even more aware than I am that bakery ingredients and raw bakery products have a tendency to be sticky and difficult to clean. It is vital therefore that cleaning is done to the correct standard. I hasten to add that we have not told our auditors to stop production lines to look in equipment; it is about looking at equipment that's not running at the time.
- Encouraging the auditors to look at procedures and records where they are used in the factory and production areas, rather than just reading the pristine office copies.
- increasing the time auditors spend talking to staff during the audit. You can find out a lot from talking to an operator on a line about what they know about product safety, their processes, and about the culture of the company and whether or not the company is buying into things like quality and safety. So we have introduced that element to the audit as well - more dialogue rather than just ticking boxes.

Audit Options There are now three audit options:

1. You can have an announced audit - in other words agreeing with your auditor, in advance, the date on which the audit will be completed, this can be agreed some months in advance.
2. You can have an unannounced audit, where you basically book your contract and the auditor turns up at 9 o'clock one morning to do the audit with no prior warning.
3. You can have a halfway option to the above, where the auditor will arrive unannounced to look at the factory operational procedures but will then agree a date to go through the paperwork. This has the advantage that if you have particular quality managers and/or technical managers who need to be on site to handle the paperwork, you can make sure they are available.

The last thing we added, and which was, new to a lot of people in the food industry, was 'root cause analysis'. This is simply the process by which, if you have a problem and resolve it, you look back to find out what caused or allowed the problem to occur in the first place. Was there a procedure, a system, or process that caused the non-conformity or the issue to occur, and have you put a mechanism in place to prevent it happening again? Some industries have been using 'root cause analysis' for decades but when we put it in for the food industry we didn't expect people to say, 'this is new to us, we have never done it'. So training on root cause analysis is an important part of what we are doing at the moment, to make sure people familiar with the concept of preventing problems or issues re-occurring on multiple occasions.

In addition to the Standard itself, there are a number of activities that occur very much in the background that are vitally important to make sure the Standard operates at the correct level of competence. These include the competency of the auditors, consistency and compliance. You should be able to get the same audit result regardless of which auditor or certification body does the audit on your company.

To qualify as an auditor you have to have a certain, defined, amount of experience, training and qualifications. We now have a set of specific working groups looking at the key core skills are for particular categories of food that are vital for the auditor to be competent to audit companies producing these products. This is about up-skilling the auditors and making sure that if a new auditor wants to audit a particular category of food, he or she can be trained with exactly the right skills to be able to do so.

I said that we needed to improve consistency of audits. To achieve this we firstly made the Standard a lot more prescriptive. Historically, there were places in the Standard where we used the word 'should', and the difficulty with this is that the auditor has got to judge every factory situation as to whether 'should' means 'now', or 'it doesn't apply to this particular factory.' Therefore, a lot of the clauses are now more prescriptive, using the word 'shall', so that there's no doubt in the auditor's mind, it is clear to everyone that the clause consistently applies.

We introduced our KPI process, whereby all of the certification bodies are rated according to their activities. I should say that they are all good enough to do audits since there is a mechanism for removing auditors or certification bodies that aren't of the right quality. However KPI gives highlight those certification bodies that are at their very best and those that could improve further. This information is available on our website, the most up to date results being the September 2012 values. We have introduced auditor calibration and training sessions, in which we will be training auditors in a specific area of common concern. Indeed the first session takes place next week, during which we will be looking at the writing of audit reports.

Survey Form If you've had a food audit since September you will have automatically received a customer survey form. This is an anonymous survey - we won't tell your auditor or their organisation what you've said about them! We want to receive feedback from you about the things you think have gone well with the audit, those that can be improved, and any concerns you have about the Standard. If you receive a survey form please complete it and send it back to us.

Training To be an auditor for the Standard you have to pass a training course. This lasts a minimum of two days and up to four days, depending on the candidate's experience, and is followed by an examination, which has a 60% pass rate! The examination is deliberately challenging since we only want the best auditors. To date there are trained auditors in over 50 countries across the world.

Statistics I thought we ought to spend some time looking at some of the figures associated with the Standard. First of all there are over 15,000 food sites certificated to the Standard at the current



time. We are about two thirds of the way through the year, so approximately 10,000 sites have had their first audit to Issue 6 of the Standard. This shows that the popularity of the Standard is growing and we have seen a growth rate of about 13%

In the UK and Europe, a lot of sites have been certificated for many years so we don't see much growth. The biggest area growth is in North America, where, historically, they haven't had certificated standards. They are now getting on board with the whole concept, both in terms of the food industry and indeed, with the packaging industry, which is a separate Standard. I won't be talking about our Packaging Standard today, other than to say that it aims to do the same things with the packaging industry as it has with the Food Industry and that it is proving very popular in the United States. BRC certification is a global Standard, 119 countries currently having certificated sites. As you can imagine with so many sites and so many countries, the BRC cannot audit all of them. We therefore employ 96 certification bodies to do this for us. It is their responsibility to employ the auditors, to arrange the audits, to issue the audit reports, and indeed, the certificates. So currently there are 96 certification bodies who employ just over a 1,000 auditors to carry out the audits.



Audit Grades For those that are not familiar with the system, when you have gone through an audit you are given one of four basic grades: an A grade is best, followed by grades B & C grade, but if the standards are not good enough to be certificated, it will be graded as an un-certificated site. The grade you get is dependent on how many non-conformities the auditor finds. Currently, we are running at about 72% of sites that have achieved grade A audit certificate; about 25% are a B grade; and about 2% a grade C, with 1% un-certificated. It is interesting that these numbers are very similar to what they were for the previous Issue of the Standard, suggesting that, as an industry, we have moved quite smoothly from Issue 5 into Issue 6, and that people have got used to the new requirements. We also have 25 sites that have gained an A+ grade. We give the + if the site has had an unannounced audit, so that their customers can see that they took up the challenge of having an audit on an undisclosed day. We promote this by highlighting that, an A grade certificate is very good, but an A+ grade shows you are working to the correct standards every day of the year, not just on the day of an audit that you knew was coming, which is important for customers.

Enrolment Scheme There are currently just 31 companies in the Enrolment Scheme. This is the scheme for new sites that haven't had certification before. However we are just about to start the promotion for this particular scheme so we expect that this will grow in due course.

Common Non-Conformities A question I am often asked is: "What are the most common reasons for failing an audit"? So we have compiled the top ten non-conformities for the bakery category audits and listed them below. This list is based on approximately 1000 audits of bakeries:

Top 10 of Category 14 Non-Conformities

1. Documented Cleaning Schedules (4.11) (1st)
2. Equipment – condition (4.6.1) (9th)
3. Glass register (4.9.3.2) (6th)
4. Metal Detection Test Procedures (4.10.3.5)

5. Doors (4.4.9) (2nd)
6. Traceability – identification of products (3.9.1) (8th)
7. Document Control (3.2.1) (3rd)
8. Chemical Controls (4.9.1.1) (7th)
9. Corrective Action (3.7.1) (4th)
10. HACCP Process Flow Diagram (2.5.1)

To explain the figures in this list, the first figure in brackets refers to the clause of the Standard where the non-conformity has occurred (should you wish to refer to it) and the second figure in brackets is the overall position of this non-conformity for all food factories (ie the average from 10,000 Issue 6 audits).

1. The first is documented cleaning schedules. The schedules, the cleaning programmes, cleaning methods and the quality of the cleaning all fall within this clause.
2. The second most common non-conformity is the condition of equipment. This is often to do with wear and tear and suitability of the equipment to do the job. For example, if there's wear that looks as if it could create a foreign body, then the auditor would highlight it and question whether it was suitable to do the job without becoming a hazard.
3. Then the glass register, making sure that there's a complete register of all the glass and brittle plastics that are available on-site, that they are monitored correctly and managed correctly to make sure, again, that they can't become a foreign body risk to the product. It is worth noting that both the 2nd and 3rd are things that auditors would only see if they spend time in production areas, and we think these are appearing more commonly now because of the increased amount of time the auditor is spending in the production areas.
4. Metal detection test piece procedures, making sure that metal detectors are in place, and making sure that they are operating to the correct level or standard.
5. Doors come up regularly as non-conformities. This will be gaps in doors, and/or doors that are open when they should be closed. This is predominantly about preventing pest ingress on to the site. This is still the second highest worldwide problem and was also the highest problem for the previous Issue of the Standard.
6. Traceability and the identification of products, particularly labelling during the production process. I have been on sites and seen someone decanting an ingredient into an unlabelled container that then finds itself somewhere through the production process still unlabelled, such that all traceability eg the batch codes are lost. If you are ever in the unfortunate situation of having to do a recall on that, how would you trace it, because it is totally unlabelled and un-followed?
7. The next is document control. I think this is probably due to the fact that there are multiple copies of documents in factories. Quite rightly, you want one in the factory, you want one on your production line where it needs to be used, and you have to make sure that all copies of that document are the up-to-date version that should be being used.
8. Chemical control comes up in 6th position this is predominantly cleaning chemicals, the location, where they are stored, how they are labelled. Decanting into a suitable bottle and then not labelling can be a problem; making sure large vats of cleaning chemical aren't stored next to your raw materials has to be avoided; all these can cause contamination which we do not want in the industry.
9. Corrective action comes up just near the end, and this is both the senior management commitment to correcting problems, and also the new point that I raised earlier about root cause analysis, and making sure that actions are put in place to prevent repeat problems.
10. The final one, which is also quite a new addition to this list, is to do with HACCP, and in particular HACCP flow diagrams.

One of the things auditors are doing now is taking the flow diagram out of the file and going into the factory to see whether what you've written on paper and what you've used to assess your HACCP and, therefore, your product safety, is what they see down the line, through the factory.

As you see from a number of these non-conformities, particularly last one, this pattern is now reflecting the time that the auditors are spending in the factory, seeing what's happening on a day-to-day basis.

Frequently asked questions Just a couple of things about the new clauses. As you can imagine we had a lot of questions when we launched the Standard. Therefore we published a FAQ document, which is freely available on our website but some of the areas of the questions include:

- There are lot of questions about high care and high risk. You'll be glad that for most bakers that's not a problem because most bakery products don't fall into those categories, but it has caused some concerns for some sectors of the industry.
- Exclusions from scope. The Standard is about what happens on your site, and every so often we get a phone call from a site that wants to have product x audited, but has 30 other products they are making that they don't want audited. We always ask the question in that situation, "How can you guarantee that if 30 products are being worked on daily or weekly but not audited, the one that we are auditing is always manufactured to the correct standard"? Staff would effectively have to work to two potentially very different standards. So we have tried, as much as possible, to dissuade sites from having some products audited and some products not audited. In fact we have put some very strong rules into the Standard to make sure that happens.
- Metal detection: we have established a position statement to ensure clarity on the requirements.
- Validation.
- Root cause analysis.

There are a number of published guidelines on our website. One of my responsibilities at the BRC is to write guideline documents about any area that's causing either confusion or needs more explanation. They are freely available from our website.

In conclusion The new Standard has been out now for over 9 months and seems to be operating well. The increased time in production is, we believe, exactly the right focus to put on the audit process and that increased time is being reflected in the types of non-conformity that are being found. As I have said already, the grades achieved by companies are very similar to previous versions of the Standard, which suggests we have had quite a smooth transition from version 5 to 6. That was a bit of surprise to us since we'd changed so much we had thought that perhaps we would see a drop in grades, but that has not been the case.

We would still encourage sites to go towards the new audit formats, particularly the unannounced audit. They are not really taking off yet, as only 30 - 40 sites have gone through that particular system, but we are probably too early in the process to draw any conclusions about whether sites will adopt those in the future. On that note thank you and I will be happy to address any questions.

Peter Baker Any questions for John?

Question: Peter Jones Like Microsoft software, will there be a version 7 of the Standard?

John Figgins We are certainly not racing towards one but, as I said at the beginning, it is important that we stay up-to-date, relevant and reflect best practice, and inevitably, eventually, there will be an Issue 7. We are committed to doing at least a review every three years to make sure it is up-to-date and relevant.

Question: Sara Autton If you could just explain a little bit about how the BRC Standard connects with, or overrides, similar standards on the Continent or in America?

John Figgins Yes, there are a number of standards operating around the world. We are the largest I am pleased to say. There is a global benchmarking scheme (GFSI) that standards can go through and we have had confirmation this week that the new Issue 6 meets all the requirements for an international food standard.

Question: Peter Baker I've got a question we speak. There's a food safety symposium going on in Canada at present and we have taken over a Tesco representative to discuss the issue of announced and unannounced audit visits. They've got a debate separating the audience into two to debate whether these audits should be announced or unannounced. I just thought I'd put you on the spot really, taking Peter's point, that do you think version 7 will we are go to an unannounced BRC audit, and, if so, do you think that will then start the persuasion of the major retailers into standardisation?

John Figgins We have not discussed Issue 7 at all, so I can't tell you what will or won't be in it. However, I think it will be driven by retailer customers saying to their suppliers, "we think you ought to be on an unannounced audit scheme now". That is what some of the big retailers already do on their own audits. Nobody has yet specified it and has insisted their suppliers have BRC unannounced audits, but that's where I would think some retailers will eventually move, particularly for higher risk products. But that will be dependent on the suppliers' own policies and their own contracts with these retailers. We will continue to offer both because not every site is audited because a retailer has asked for it

Peter Baker Thank you for your presentation John, which was very interesting. (Applause). I think it's rather interesting that all three speakers this morning, in various ways, included the themes of training and skill development in their presentations and this neatly leads on to Louise Codling's presentation. Louise has spent most of her working life in the skills sector and spent 20 years running her own training business. Her current role includes how we can improve the quality of skills in our businesses and in bakery in particular of course. The National Skills Academy is a move-on really from where we have been, and, in particular, an emphasis over the last 5 years on the bakery sector. So it will be very interesting to hear from Louise where we've got to on this.

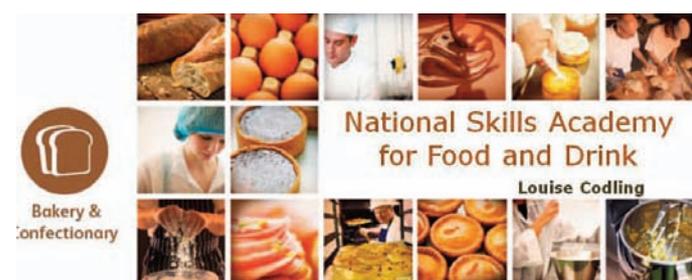
Bakery Training Courses & Their Funding



Louise Codling, Service Delivery Manager, The National Skills Academy for Food & Drink

I've worked for the National Skills Academy for about 5 years now, floating between the National Skills Academy and Improve. Prior to that, as you have heard, I ran my own training business, so I'm in quite a unique position when I'm talking to employers in having an understanding of how providers work, what they do, and how they access funding. This enables me to give the best advice to employers about what sorts of skills they can look at, what

sorts of programmes are out there that best meet their needs, and then how they can engage with providers to meet those needs.



The National Skills Academy is a commercial organisation with both provider and industry members and our remit is to drive up the quality of skills provision through working with industry to define what that should look like. My key role is to be the liaison between

employers and providers, looking at what employers need, what the outcomes of that are, whether they be qualifications or generic training programmes, and then working back in with providers that operate within the sectors, and within food and drink networks, to try and ensure that what they offer is fit for purpose, that employers can access it, and that where there's funding available, they know how best to access that. Service delivery managers like me operate within sub-sectors of the food industry, so we have providers that work within bakery, meat and poultry and fish. I'm the lead for bakery, so that's the area I look after. We are heavily linked with Improve, who are the Sector Skills Council for food and drink.

Sector Skills Councils are no longer funded through Government and many have disappeared because of this and many more probably will disappear in the coming years. Improve is quite small and therefore quite sustainable. It still has an important role to play within the food and drink sector and its main remit is to develop National Occupational Standards (NOS). Therefore for every job role within the sectors we work with, we define what the knowledge; skills; and behaviours; are that make-up that job role. So if somebody within an organisation wants to look at recruitment, or appraisals, then they can access the National Occupational Standards to see what the skills and knowledge required are that would make a person applying for, or holding, a particular job competent in doing the job. We are also involved in the development of Qualifications and Apprenticeship Frameworks on behalf of Government. So there's still an important role for Improve to play, albeit they're now much more aligned with the National Skills Academy and in making sure that what comes out of it is fit for purpose. The National Skills Academy is involved in driving some of the training activity which is industry focussed. Improve still have access to various pots of Government money, which they bid for on a piecemeal basis and I'll talk about some of those pots of money a later on.

Speaking to your Chairman Sara at the dinner last night she said: 'I would like you to include in your talk funding for Bakery Training and how we can get our hands on it!' I agreed but unfortunately it will be a small part of my presentation because in reality, the days of Government throwing money at Further Education and employee development training are gone! Funding is now much more focussed on co-investment, co-financing, and employer contribution. The main developments we've seen over the last few years are the withdrawal of what was called, 'Train to Gain', which started off as a Level 2 Initiative, to try and enable the Government to meet its Level 2 targets for individuals but didn't really achieve that. It started off with quite tight remits, being only available to certain individuals, and when that didn't work they said, 'right anyone can have it', and anybody could access this money to get a Level 2 qualification. It led to some abuse, with providers offering companies free (government funded) Level 2 training, employers engaging in it, and with many employees getting Level 2 qualifications in subjects that they hadn't really learnt properly, with lots of tick-box exercises to gain the qualifications. So 'Train to Gain' has gone and we're quite happy about that. There are still some small pots for first Level 2 available but only to relatively small manufacturing companies.

Funding Update

Main Developments

- Withdrawal of Train to Gain funding (and alike)
- Increased funding for Apprenticeships
- Employer Contributions
- Still some first level II available for SME's

Apprenticeships

- Government priority to increase Apprenticeship numbers
- Provider contract holders reduced Minimum Contract Levels
- Strict Ofsted and SFA auditing regimes in place for quality monitoring.

The focus from Government now is on apprenticeships, the main focus of that being on 16 – 18 year olds, and it has a priority to increase its apprenticeship numbers across all sectors, food and drink being one of them. How it funds the apprenticeship training

has changed, the providers now needing to have much larger contracts. Due to this some of the small niche training providers have either gone, or they've had to integrate with some of the larger providers, and it is having a slight impact on training provision, and will continue to do so going forward.

So apprenticeships are really the only form of training that can attract Government funding and this has limitations. Apprenticeship training covers a number of qualifications, as you can see in the table below, which is called an 'A Framework. The trainee has to do all the different elements of the framework to gain an apprenticeship and the training can be delivered in lots of ways. The main qualification from a baking apprenticeship point of view is the Certificate for Proficiency in Baking Industry Skills, at level II or III and covers all the technical and craft elements of bakery. There are many different food and drink apprenticeships including Milling Industry Skills, Meat and Poultry and even Food Manufacturing Excellence which is an apprenticeship in Lean Manufacturing, so you can pick whichever suits your business best.

Only full apprenticeship frameworks funded

- Certificate for Proficiency in Baking Industry Skills
- Functional Skills – Maths and English
- Employment Rights and Responsibilities
- Personal Learning and Thinking Skills
- Minimum 12 month duration now in place

Functional skills, which is maths and English only started this year. Previously it was 'key skills' and prior to that 'basic skills'. The inclusion of functional skills may change the uptake of apprenticeships within businesses, particularly from migrant workers. Previously assessment was by a multiple choice exam/questionnaire, whereas now it's by a written paper, so candidates have to be able to both understand English and read and write it to quite a competent level. So those are the elements that make-up an Apprenticeship Framework, and they're only funded in that complete suite of training programmes.

Apprenticeships

- 16-18 years old – fully funded
- 19+ - co-funded (employer contribution required)
- SFA funding for higher or equivalent qualification – not lower
- Graduates not fundable

16 – 18 year old Apprentices As you can see above, 16 – 18 year old apprenticeships are fully funded. In theory apprentices can go on to a Level 2 programme when they start, and then should be able to progress on to a Level 3 within that 16 – 18 year old timeframe. The Level 3 programme is at a higher level and contains more management/supervisory elements and also more complicated bakery skills. However, the food and drink sector tends not to employ many 16 – 18 year olds, and it's certainly something that the National Skills Academy is trying to encourage organisations to do. There may be insurance issues in certain cases, and we're looking at how any risks to apprentices can be minimised in line with the duty of care that employers has to have for young employees.

19 – 24 year old Apprentices When an apprentice is over 18 the funding for training becomes a bit more complicated. If the apprentice is 19 – 24 it's what's called, 'co-funded'. At the moment the contribution from the employer can be given in kind, such as providing his premises and/or time for the training. It's a fluffy way of saying, 'we want you to contribute, but you can contribute in a way other than cash.' Our view is that this may well change over the forthcoming year, and that perhaps by this time next year there will be a mandatory cash contribution required from businesses to apprenticeship training but at the moment co-funding can be provided in a number of ways.

Over 24 year old Apprentices Once an apprentice is over 24 there is even less funding available to the training provider and therefore the employer's contribution can be significantly higher. However each training provider has the right to determine how they deal with this, and whether or not they want to charge an employer

for the funding shortfall. So you might find some providers charging significant amounts to complete the training for the over 24 year old apprentice and others not charging anything at all. By taking advice from an organisation like us, you can find which providers you can work with, which best meet your needs, and then what that might look like in terms of cost for you.

Graduates aren't fundable through the Apprenticeship Framework.

Employer Ownership Scheme

- Soft launch by PM
- £250million
- Participation(training)money

Employer Ownership Scheme One of the biggest and most significant changes in training funding is yet to be implemented but a 'taster' for it was launched as a pilot earlier this year and it's called the 'Employer Ownership Scheme.' There's a £250 million pot available for employers to bid for funding that will allow them to buy-in the training provision they want. The Government basically said, 'we want the market to decide what it wants; we want you to say, "this is what I want, this is how I want it delivered, and this is what I'm prepared to pay for it.'" It's a very flexible fund, and we found in working with it, and looking at it in more detail, that it doesn't seem to come under the same strict guidelines as some of the other Government funding that's available. For example, a graduate could go through an Apprenticeship Framework as part of Employer Ownership of his training. It needs to be either sector led or led by a large organisation, so it's about enabling collaboration either up and down the supply chain, or through the sectors, and what it will do is enable businesses to have a really clear view about what's available, what elements of the skills agenda they want to engage with, who they want to engage with, and what elements of that they want to purchase or not. So when you look at an Apprenticeship Framework you might say, 'well we can deliver that ourselves but we just want to buy those few elements of it and we're only going to pay this much for it'. There's a clear directive that it's going to save the Government money, that's obviously its key driver, but it's also making sure that employers get what they want, how they want it, and when they want it, so each of the solutions within a bid would be designed by the employer. It could be about apprenticeship training, it could be about some leadership training, so it's much more flexible in terms of how it works. The challenge for the Government was to address the unsustainable levels of public spending that were going on, and Train to Gain had quite a lot of that to answer for. Employers have to engage within their own sectors, or up and down their supply chains, to bid for it.

Bidding for Employer Ownership Scheme funds We put in two bids in the pilot launch, one for a food industry sector, and one for a large food industry organisation that primarily didn't really want to collaborate and engage but wanted to get as much funding in as it could. The food industry sector bid was successful. We managed to secure £2.5 million for the dairy industry. This saw six key players in the dairy industry working together, saying: 'this is what we want to see for the dairy sector; these are the types of training programmes that we don't have, we want some technology, we want some engineering. As a sector we will support it, we will run it as a sector programme rather than an individual programme', and that was the successful bid. The single company bid wasn't successful and that was because the Government doesn't want to give money to one organisation to spend on things that the Government feels it should be spending its own money on.

It will be really interesting to see how this pilot works going forward. It's likely to change the face of funding and put the control back into the employer's hands. If the pilot goes well, and our assumption is that it will, I think we will find that this significantly changes Government funding. From our point of view, we'd very much like to engage with the baking industry to see whether or not there's mileage in building some sort of bid where you've got similar issues, similar training needs, similar issues to be addressed, that we could build into a sector bid for you. There's information on that outside, but if anybody wants to talk about that later, and we are engaging in it in a slight way, I'll talk to you about that when we come to it. That's likely to be a significant change

but the proof is in the pudding, so we'll wait to see how the first pilots go, but the second round of bidding starts in the next few weeks. At the moment they've only released £50 million, so there's still another £200 million to go, so we can maybe get our hands on some of that.

In theory, in terms of how you guys can access Government funding, that's it, there's not a lot else available that you can individually tap into and say, 'okay well we want to do this ...' and, 'we want some money.' That's it, its apprenticeships, it's a little bit employer ownership going forward, and some Level 2 stuff but that will change. Come next year, if an applicant for an apprenticeship is 24/25 years old or over, they haven't decided yet, he or she is going to have to take out a loan to complete the apprenticeship. So who knows what that's going to look like and how that's going to be administered, and actually whether or not individuals within a business will take out a loan to do a workplace apprenticeship. We'll have to see how that comes out, but that's, in theory, coming in at the end of August next year. If you're not 16 – 18 you're not really going to engage with Government in terms of attracting funding, and it's all about getting young people into work and getting them on to apprenticeship schemes. There's a good opportunity now, I believe, for employers to engage with really bright, young 16 – 18 year olds that cannot afford to go to university and don't really know what they want to do. The next few years might be a good opportunity to engage with those types of people as a sector, allow them to come in and do apprenticeships, and then progress on to some higher level qualifications, sponsored through your business.

That's basically it with regard to funding. However the National Skills Academy and the Sector Skills Councils do have access to certain pieces of funding that are either only available to them or only available to people that operate within them. This is brand new and we actually only secured this piece of funding last week. It's come from a pot of money that the UKCES held; they hadn't spent it all. They needed to spend it before April so we put in a bid for it. We had to make the bid unique and exciting and it was successful.

Women and Work

- Held by the NSA to benefit women working within the food and drink sector
- Programmes do not need to be accredited – just through an NSA provider
- No eligibility criteria – other than being a woman!
- No restrictions in terms of size of business
- Up to £800
- Match can come in the form of in kind costs

The Employer Investment Fund There's a pot of money called The Employer Investment Fund which is only available to Sector Skills Councils and is what is keeping some of the Sector Skills Councils going and will continue to do so over the next few years.

The Employer Investment Fund (EIF) is only open to licensed Sector Skills Councils and aims to:

- Stimulate leadership from the bottom up to significantly raise employer ambition
- Encourage joint activities
- Drive innovation, change employer behaviours and develop new ways of working
- Secure momentum from employers to support sustainable increases in skills levels and better use of skills across sectors

The EIF comes in the form of bids, projects and activity to stimulate growth, to stimulate attracting young people to the sector, and to stimulate business issues and economics within it. We were lucky enough to win four pots of money in the last round of bidding, and they all have specific food and drink type nuances. I'm just going to tell you a little bit of top line information about some of the projects and what they are. If you want to engage in similar projects please let us know afterwards, since it's the sort of thing that needs industry support to make them work, and have sustainability.

Graduate excellence is about developing food engineers. As a sector we don't attract high quality engineers, they tend to go off to the more sexy types of sectors like aerospace or automotive, and we tend not to attract the really top level ones. So we're working to create a Centre of Excellence in food engineering and developing a curriculum for a food engineering degree, the output of which will be 40 food engineers going through the programme every year. We have quite a lot of engagement on this already. We put it out to tender to a lot of the universities and providers, and the Centre of Excellence will be at Sheffield Hallam University. Part of the funding will contribute towards equipment and state-of-the-art engineering equipment, and it will become the place to go to learn about food engineering. So you'll do your normal engineering, but you'll also learn about food science, you'll learn about supply chain, hygiene, design, all of those types of things that's really lacking when we take on engineers in the sector. At the moment we're looking at engaging with employers and industry to help develop the curriculum, what it needs to look like, what you would like to see in it, what are the things that you struggle with when looking at and recruiting engineers. There's information on this at the back and you can speak to me or my colleague, Faith Castle, the Project Leaders on this. NB I you are reading this is the conference proceedings booklet you can contact me at



Benchmarking is to develop an online tool for businesses to enable them to benchmark their practices and performance against other similar businesses. It can be done regionally, it can be nationally, it can be done by sector, and you can really narrow it down into quite specific areas where you want to benchmark. Benchmarking in this way will allow businesses to see the link between the areas for improvement and investment. You won't be able to narrow it down so much so that you're benchmarking against a competitor three doors up, but you should be able to narrow it down enough to get a really good view regionally how well you are performing against similar companies. You will then get a report on areas where you're doing well and on areas where you're not doing so well, with advice on how you can improve the situation. So it's a really good business improvement tool.

Blueprint for Excellence is the production of an industry-wide "gold standard" to cover the professional standards and competencies expected of effective workers in specific food industry jobs. We're looking at 30 key job roles across the sector. At the moment it's going to range anything from production operative, through technical managers and up to site manager level, looking at what are the knowledge, skills and behaviours required in that role to make somebody 'excellent' at their job – to The Gold Standard. At the moment we want to engage with industry to meet people who employers consider 'excellent' at their job so we can meet the employer to ask, 'What ability and knowledge does this person have that makes him or her excellent at his or her job?' Based on this an online tool will be developed that employers can access can access, to use for development plans, internal job recruitment, job specifications, etc. it will really enable businesses to assess the abilities of current staff and decide, if required, what is action needed to make them excellent at their job.

Tasty Jobs The final project under EIF is called, 'Tasty Jobs, which is a pre-employment training programme designed to ensure 600 currently unemployed people are not just work-ready but specifically ready to work in the food and drink sector. Our recent research suggested that the food manufacturing industry is one of the poorest in the whole of the food supply chain, and has the most problems in attracting young UK nationals to it, particularly in engineering, in technical, and in craft. Tasty Jobs works with employers to identify and address the policy and procedural barriers which prevent an unemployed person coming into the sector. Unemployed could mean that they engage through Job Centre Plus, but it could mean they engage through some of the student organisations, where they've finished their studies and now need experience in industry. We can work with employers to identify a route way programme, and this can be individually based. This allows each employer to state exactly what they want the programme to have in it for them as a business. However first Level 2 in food safety and health and safety will probably be a prerequisite of any programme.

The above fits in very nicely with our 'attracting young talent' agenda. It's a massive programme and we're currently working heavily in lots of other sectors on but bakery's not particularly engaged in it at present. Faith is the Project Leader on this, and she'd be very interested in talking to any businesses where maybe you're recruiting, or you'd like to recruit young people, we can help make that process easier for you, and have them fully trained, job ready, able to come straight into the environment that you have and start to work. Faith can be contacted on the link below. f.castle@foodanddrink.nsacademy.co.uk

We were recently invited to a meeting at The Worshipful Company of Bakers of 13 bakery trade associations for a discussion on how they could work together on various things concerning the baking industry. We were involved in a discussion covering: the training route to becoming a baker; how do you know when someone has become a baker: what is in fact a 'baker', and what is the difference between a plant baker and a plant baker in term of knowledge, skill and experience? Everyone present at the meeting agreed that something should be done to assess the knowledge, skills and experience were required to work in a craft bakery and the knowledge, skills and experience were required to work in a plant bakery. There will also be a combination of these requirements for someone working in a larger craft retail bakery which also has plant type production for wholesale customers. This is in its initial stages but we have funding for a feasibility study to work with industry to see whether or not there's a desire for a map to be drawn out to say, 'okay this is where you come in, this is where you go, and when you've done the stated requirements you can become a master baker', or, 'you become a craft baker', or, 'you're an apprentice', it's a route way, and it will be a map of achievement. We're currently working with four key organisations that attended The Worshipful Company meeting, to develop the desire and to map out a basic skeleton of this, and we will then come back to industry and say, 'is this something worth pursuing?' and we will then fund that development. Once complete there will be complete pathways that show everything that's required for people, what they can do, so when they're at a certain point where do they go and what does that look like, how much experience do they need, and how can they gain that. Thank you very much.

Peter Baker Thank you very much indeed Louise. There was an awful lot there and you got through it very well. Can I invite questions?

Louise Codling Just to say that Faith and I are here all day if you want to talk to either of us individually. If you are interested in funding for training, talk to me and if you are interested in training projects, talk to Faith. You can also contact us on the e-mail addresses below. l.codling@foodanddrink.nsacademy.co.uk f.castle@foodanddrink.nsacademy.co.uk

Peter Baker I have one really which is how you're engaging with the Food & Drink Federation and some of the associations, because I would have thought those would have been, the Food & Drink Federation would have been the place to go.

Louise Codling F&DF are joint leads on a couple of projects; We engage quite heavily with the Food & Drink Federation on

apprenticeships, on their road shows. We both have an apprenticeship pledge that we work jointly on.

Peter Baker The issue really is that although bakery is represented in the F&DF we just don't always get the visibility in it that we have had in the past, or which we'd like, so trying to get us to lead in that area of bakery is difficult.

Louise Codling We are sector wide, so when we work with the Food & Drink Federation we don't narrow it down too much into specific sub-sectors, so I think it's quite difficult. I'm the bakery lead for the National Skills Academy for Food & Drink, so I run an industry group on bakery and I also run the provider group on bakery, so anything you feel I can do that might give a bit more visibility at to you at the F&DF then feel free to engage with me on that.

Question: Jean Grieves, Marple, Cheshire Firstly Louise I'd like to congratulate you. That's a very complicated subject and you've explained it with such clarity that everybody's absolutely buzzing to contact you now to see how they can access the funding. Really interested to hear about your employers provision, and I wondered if you could just expand a little on the timescale, like when they get the funding, is there a slot that it's all got to be spent by March?

Louise Codling For the women in work?

Jean Grieves For the employer's provision, when they plan, 'this is what I want ...' and, 'how are we going to get it?' what's the timescale?

Louise Codling Generally I'll go out and meet with employers. I work on a one-to-one basis with them trying to enable them to best identify what it is they need, and make sure that what they need is out there. If it's not out there we can work to develop it, and that takes quite a while, however, we can normally turnaround from meeting to accessing the funding quite quickly. 'Women in work' needs to be accessed by March, so if the training's not finished by March you won't get the money. My key role is to engage with employers and enable them to access that funding as quickly and as appropriately as possible. Normally they can be starting a training programme within a few weeks.

Jean Grieves And when do they get the money?

Louise Codling They don't get the money; it goes to the provider of the training. This is where employer ownership will be turning it all on its head. Funding at the moment is held by providers, so you can access funding but you can only access it through providers. Employer ownership will enable you to hold the funding and buy what you want from the providers you want to buy it from, so I think you'll see a complete turnaround in terms of how funding will work in the future!

Peter Baker Many thanks again for an excellent presentation Louise. (applause) Thank you very much indeed for my time as Sessional Chairman. Mike Bagshaw is taking over for the rest of the conference.

Mike Bagshaw, Sessional Chairman Good afternoon.

I am delighted to introduce Alex Waugh, Director General of Nabim and Ian Robinson, Technical Director of ADM Milling, who are doing a double act to give an appraisal of the 2012 wheat harvest. Alex will be looking at the things that have happened or are happening with regard to the harvest, and Ian will be looking at the future with regard to using the wheat, the issues involved and how they can be resolved. Please welcome Alex.



An Appraisal of the 2012 Wheat Harvest

Alex Waugh, Director General, NABIM and Ian Robinson, Technical Director, ADM Milling



Alex Waugh On behalf of Ian and I, our thanks to the BSB for inviting us today and we hope the story we've got to tell you doesn't depress you too much. In case you've got a very short attention span, the table below tells the story. NB Alex wishes to point out that the following is an edited version of the verbatim transcript of their presentation.

Summary of current situation

- World and UK grain prices (including wheat) rise by 40% as a result of US drought and poor conditions in Russia/Ukraine
- Wet summer in the UK has pushed premium for breadmaking wheat from £15 to £45 per tonne
- UK harvest is both small and of poor quality, meaning that in addition processing costs will be higher and more wheat imports will be required

I'll come back to this and explain it a bit more as we go through, but it's not a very happy situation for us just now because grain prices have shot up in the last 2 or 3 months. We've had a dreadful summer so that means the premium for bread wheat has gone up a lot, and on top of that the quality of the UK harvest is, well I think it says, 'poor' in the list above but other people would use rather fruitier language!

First of all it starts with the weather in the USA. If you go to the US Drought Monitor website, <http://www.droughtmonitor.unl.edu>, not something you probably do on a regular basis, you will see an animation that gives you a week-by-week view of the extent of the drought, the worst for 60 years. The area involved is about the size

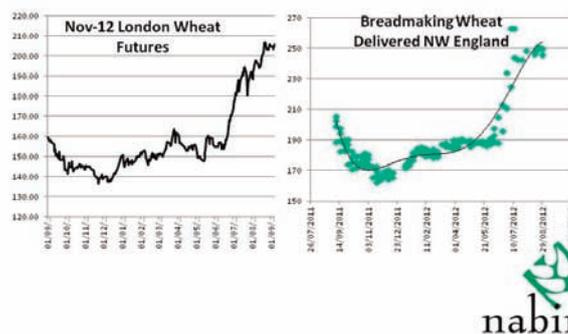
Illinois and Iowa cornfields, July 2012



of France, Germany and Spain put together, so it's a substantial area, and it's been really poor. There's the US crop fields, corn fields, as they were in July, Illinois and Iowa, so that's about five times the size of the UK. It's a big problem and it came as a bit of a shock. Back in May/June, the US Government was expecting a maize crop of 375 million tonnes, and now it's 100 million tonnes less than that. 100 million tonnes what's that? it's about six to seven times the entire UK wheat crop, it's about 70-80% of the entire European wheat crop, so it's not a small amount of grain that's "gone". In June 2012 everyone began to realise that there was a severe drought in the States, and the grain price went up for wheat, it went up for corn, and it went up for soya beans, by 40% - 50% in a very short space of time.

That was in the States; this is what happened in Europe: this is the London wheat futures, and this is our bread making wheat chart, so I'm sorry the bad news didn't start here, it started over in the States with their dreadful drought, and the price impact is very clear for all sorts of grain. It was slightly amplified because things didn't go all according to plan over in Europe as well.

UK wheat markets, both feed and bread wheat, followed a similar pattern



The Russian wheat harvest Russia's quite a big deal, it produces quite a lot of wheat for export, and that came in at about 30% below original expectations. The Russian Government isn't the most outgoing, it's been saying, or rather one Ministry has been saying, 'there's no chance of an export ban from Russia', and another Ministry is saying, 'well could be, depends on what happens to our internal prices', so the market is expecting Russian wheat supplies to be cut off at some point, in particular trade with the Mediterranean basin. Why does that matter? Well it matters because Russian wheat is generally the cheapest available on the market, so if that comes out of the supply chain, then the prices at the bottom go up.

Wheat market strength supported by Russian drought

- Russian wheat harvest estimates reduced in stages by 30% to 39m tonnes. 30-40% decline in Ukraine and Kazakhstan
- Rumours persist – despite denials – that government will move to restrict exports
- Price advantage for FSU wheat being eroded
- But main EU crop in France and Germany is much closer to expectations in quantity and quality

In Western Europe, apart from the UK which I'll come on to in a minute, the crops are actually not bad, so the good news is, as far as we're concerned, that the wheat crop in France and Germany is much closer to expectations in quantity and quality. Coming back home, what about the UK? Rainfall in June was double the long term average. In fact it's been the wettest summer for 100 years in the UK and that's had two effects. First of all the harvest was much delayed, and the secondly there hasn't been much sunlight, temperatures have been lower and therefore grain fill has been much less than usual. I'll explain why that matters shortly.

Timing of harvest

- Very poor June and July meant that harvest was much delayed compared with recent years (approx 2 to 3 weeks – more in some areas).
- Further delay caused by greenness of straw posing difficulty for combine speed
- Only 55% of crop had been cut by 4 Sept – but over 90% by 18 Sept as drier weather prevailed. Group 1 and 2 wheat varieties prioritised.

Wheat Yield In the UK our yield, which is the amount of wheat we get from each hectare of land, is well down. The normal wheat yield is getting on for 8 tonnes per hectare. In various trial plots run by a national organisation called the 'Home Grown Cereals Authority' they recorded a yield this year which was 8% - 10% down at 7.25% tonnes per hectare. A national organisation ADAS, which used to be funded by the Government but is now privatised, is estimating a yield of 6.8 - 7.2 tonnes per hectare (ie 10-15% down on normal), although I think they've now come down a little bit further from that estimate. Many of our grain merchandising groups are predicting less still below that.

For interest, going back 100 years or so, when Queen Victoria was on the throne, wheat yield was about 2 tonnes per hectare, which

is a bit less than a tonne per acre. From the end of the Second World War onwards there was a rather steep increase in yields to our current average of about 8 tonnes per hectare, so that was the Green Revolution in effect in the UK and elsewhere. This year the yield is well below the norm and will probably turn out to be a reduction of rather more than one tonne per hectare.

So what does that mean? Probably a harvest of 13.5 million tonnes compared to 16 million tonnes or so which had been expected, so 2.5 million tonnes of wheat gone from the UK's expected harvest!

So quantity down in the UK, what about quality? I talked about the lack of sunlight and the amount of rain we've had. The effect of that has been that the wheat grains haven't filled to the normal weight and therefore there is not as much flour inside the wheat grains. This is measured by something called 'specific weight'. To measure specific weight wheat grain is poured into a container of known volume until it is full and the weight of grain in the container is recorded. This gives the ratio of grain weight to volume and is expressed as kilograms per hectolitre (kg/hl). The higher the weight of grain per hectolitre the better but as you will see below, it has gone the other way this year.

Specific weight

- HGCA quality survey (18th September) reveals average specific weight only 70.7 kg/hl – compared with 3 year average of 77.5 kg/hl
- This is easily the lowest recorded in the HGCA survey (which goes back to 1977)
- Wide range of results; majority between 62 and 79 kg/hl, although a proportion lower still
- South west and Midlands seem especially poor

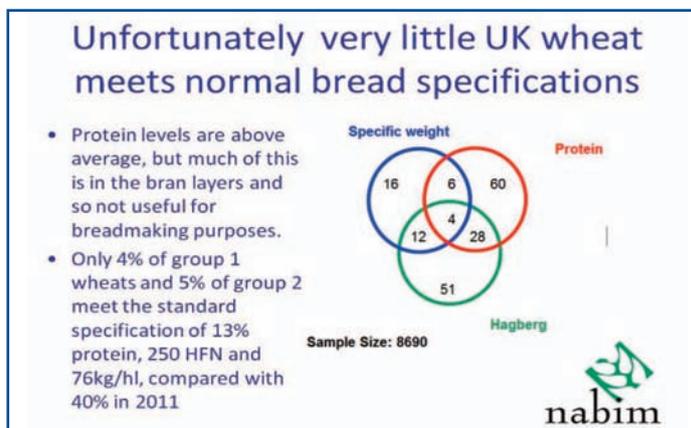
Not only that, there's a very wide range of scores within that list, what we've got is a very inconsistent crop. The average specific weight is low and the variation around that average is pretty big. That's quite challenging for millers trying to run a flour mill, because one moment you've got some quite good wheat going through, and then 20 minutes later it's not very good at all, so adjusting for that is difficult. Ian will probably talk about the problems and how they're going to be solved in a minute. As far as we're concerned the South West and the Midlands seems to be particularly problematic. I don't know if there's anybody here that's in the biscuit trade but we categorise wheat according to its qualities into four groups. Group 3 is biscuit wheat and that's especially poor in having a specific weight of less than 70kg/hl, so I think it will be challenging for millers trying to provide flour for biscuit manufacturers.

So what wheat quality do we have for bread? Because the amount of starch in the grain is less than normal, the percentage of protein is above average but it's not in the right place! More of the protein is in the bran and that is not useful when it comes to making bread. The challenge here is the specific weight, and as you can see above, only 4% of Class 1 bread making wheat meets the standard specification, compared with 40% last year. This gives you an idea of the extreme nature of this year's harvest, giving many problems to be addressed.

Implications...

- Flour yield is much reduced, meaning more wheat required for same level of flour production; mill throughput also reduced.
- Wheatfeed production will be higher and competing with low quality wheat
- Achieving flour colour specifications will be much more difficult
- Other quality parameters will also be harder to achieve

So what are the implications? Well because of the lower specific weight of the grain there is less flour in it, so the yield of white flour from a tonne of wheat will be less, so more wheat is required to produce the same amount of flour. The speed with which the wheat goes through the milling process is also reduced, so that means reduced milling capacity for the milling industry. In simple terms a mill will only produce 8 tonnes of flour this year in the same time it

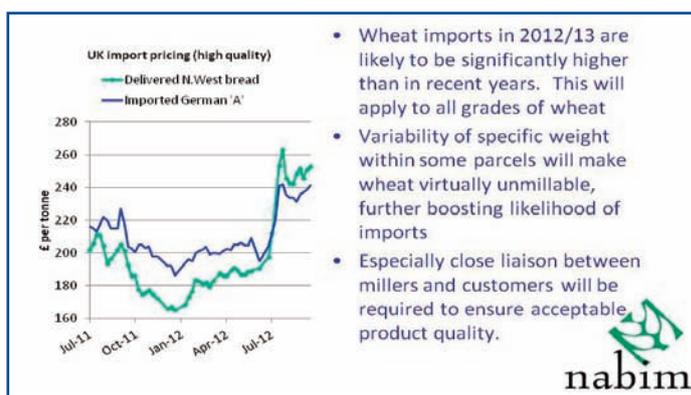


took last year to produce 10 tonnes of flour! There is a further problem. Because you are getting less flour from each tonne of wheat, the amount of by-product, the wheat feed used for animal feed, is increased. That has an effect on the cost balance of milling, lowering the overall value of what is being milled. Because there's less flour in the grain there's much more chance of getting some bran in with the white flour during milling, so flour colour is going to be much harder to sustain at last year's levels. The baking quality will also be harder to achieve because the available protein for flour is lower.

So what does that mean for the miller? Well the first thing is we're going to see is more imported wheat being required because the quality of the UK crop is not satisfactory. Because the UK problems apply to all grades of wheat, imports are going to be required for all grades of wheat. It is a relief therefore that the French and Germans have had a good wheat harvest because that's where some of the wheat we require will be sourced from.

To summarise the problems

- Wheat imports in 2012/13 are likely to be significantly higher than in recent years. This will apply to all grades of wheat
- Variability of specific weight within some parcels will make wheat virtually unsuitable for milling, further boosting the likelihood of imports
- Especially close liaison between millers and customers will be required to ensure acceptable product quality.



To give you an indication of how that's going to happen this is the price of German wheat, not delivered to a mill but at least loaded to come to the UK, and this is the price of UK bread wheat, and you can see that the UK bread wheat normally tracks below German wheat; right now it's above it. That's effectively the market saying, 'right UK bread wheat of good quality is going to be priced up there, and that's going to let in German wheat to substitute for it.' If the mills are in the right place, that's what they'll be doing.

This variation I talked about in wheat specific weight means that it may not be possible to mill some parcels of wheat. Low specific weight wheat needs an awful lot of cleaning and dressing-out of the poor quality grain during milling, which takes time. More of the wheat in the form of wheat feed is directed to the animal feed market, which again helps to make UK wheat relatively more expensive, and pushes up the likelihood of imports a bit more.

It's not going to be an easy fix or get round these problems. There is going to have to be a lot of liaison between millers and their customers, getting the right combination of flour, ancillary ingredients and any required adjustments to production processes to make acceptable final product. The solution is unlikely to come just from one part of the chain on its own. So that is the story, I'm afraid; not very good news, so over to you Ian.

Ian Robinson Alex has detailed the 2012 wheat harvest problems and their implications very well indeed. So what does the miller do to make the best use of the situation? We have to first consider the challenges we face, which I have listed below:



What Are the Challenges?

- Availability & Willingness to sell
- Ability to harvest
- Haulage capacity/Shipping timings
- Limited carry-out/storage
- No-show rate
- Price/cost

Availability & willingness to sell While most buyers have a lot of power, the wheat market is normally a sellers' market and the situation this summer has exacerbated this. A farmer may have wheat available for sale but does he want to sell it now or will he wait for the price to go up, particularly if he has 3 or 4 customers wanting to buy it? He might also prefer to use a period of sunshine to get out on the combine rather than for selling his grain. So, availability and willingness to sell has been, and still is, a challenge.



Ability to harvest is another problem. Can the farmer get the combine on to the field? Does he share a combine with others, which limits when he can harvest the fields? Can he harvest his wheat crop on a day when the weather is good?



Haulage capacity/Shipping timings Because the harvest of crops such as wheat, barley and oilseed rape were around a month late, normal haulage arrangements had to be changed at short notice and finding haulage capacity was a problem at times. We, like other millers, had made a lot of shipping arrangements and contingencies prior to the harvest to ensure continuity of supply from within the UK and from Europe. An example of how things can still go wrong was when a ship delivering wheat to us crashed in to another ship in Hamburg harbour and was delayed for three days!

Limited carry out/storage In the USA, where there is vast storage and harvest carry-over, millers may use wheat which is from the previous harvest or even the one before that; this situation does not apply in the UK. Here, we cannot continue to use old crop wheat for months on end and we rely very much on the new crop for the production of ongoing supplies of flour, and wheat availability from this year's harvest was getting critical at one stage.

No-show (non-delivery) rate Due to the haulage problems mentioned above and the limitations in supply, we have had a large number of no-shows (non-deliveries) of wheat to mills this year. We have examples of 30% of deliveries of wheat not turning up, despite being booked only the day before! The most extreme case was one of our mills only getting 9 of the 30 loads booked to arrive that day. This is alien, of course, to everyone in food manufacturing, with manufacturers striving to deliver goods in the correct quantity to precise time schedules.

Price & cost I think all millers, at some time this Year, have had to ignore price and costs, simply to keep supplying customers with flour.

Quality of crop

- Protein
- Hagberg Falling Number
- Specific weight: "Can we mill it?"
- Food Safety Essentials (we still require assurance / standards)

Alex covered protein content and quality, together with Hagberg Falling Number levels, in his presentation. He also covered in detail the lower specific weight of the crop this year, which means we have to consider whether or not particular wheat deliveries can be milled, both physically and economically. The lower specific weight from this year's crop also gives flour yield and mill capacity issues.

Food Safety Essentials Regardless of the quality, milling and cost issues from this year's wheat crop, we must remain vigilant about food safety standards, particularly with regard to mouldy wheat. I chair the annual UK Mycotoxin Stakeholder Meetings, which involves people from all parts of the supply chain. Due to the extreme wet weather this year we were concerned that half the crop might have been wiped out by high levels of mycotoxins. Fortunately it has not been as bad as it might have been, because the weather was cool as well as wet. If it had been warmer, it could have been a disaster with regard to mycotoxin levels. As it is, mills are demanding a mycotoxin test result on every load of wheat. Some wheat does have higher-than-specification levels of mycotoxins and this will be going to the animal feed sector.

What can millers do?

- Chase what little grain there is available – there is certainly plenty of that going on at present!
- Relax contract standards to get wheat deliveries - it's no good saying we must have 78 minimum specific weight if all the wheat out there is around 72 specific weight.
- Make rapid changes as a result of very low stocks - not a viable idea. Customers like consistency in the flour they receive. We have to try make any changes required as controlled as possible.
- Hope for drier weather - we're all doing that but praying doesn't always work!
- Hope that customers can cope – again not viable. We are in the business of ensuring flour quality and consistency for customers, and helping them through this period.

How ADM Milling Handles It

Solid data gathering and analysis – gather data from our own business contacts, supply chains and official sources. Analyse the data carefully against our particular requirements.

Consideration of the options globally - it's been wonderful over the last few years that we could use so much UK wheat of a satisfactory specification for our requirements but this year global availability will have to be assessed in terms of cost, specification and functionality to make up the shortage.

Assess likely effects on product functionality - our technical department will do a lot of work assessing the effects on customers' products of using flour from new wheat grists. It is no good producing flour that meets the basic analytical specification required for say, bread flour, if it does not have the functional and rheological properties to make satisfactory bread.

Evaluate cost considerations – this is essential for the millers and their customers and has to be done in the most cost effective way.

Understand customer requirements – so we can select the best wheat grists available to match customer needs.

Global origination and trading network - fortunately ADM Milling are part of a large global business, with worldwide grain trading and transportation, including ocean-going ships. We pride ourselves on getting the "harvest to the home", i.e from the farmer's field to the mills, through primary and onward processing into flour and then delivery to our customers.

Port mills – these were established to handle the many shipments of grain that used to come in from America and Canada with

breadmaking wheat. Since for many years the UK has been almost self-sufficient in grain requirements, this historical legacy of having mills at ports could be seen as a disadvantage. However, with the increased requirement for imported wheat this year they have been very useful indeed.

Access to many data sources - as I have said already, it's important for milling groups to have their own grain trading arm. ADM's is called ADM Direct, where we have people on farms sourcing wheat, established suppliers, and lots of data sources for grain availability and quality, both globally and nationally.

Avonmouth Technical Centre Central laboratory and test milling - we not only look at the technical data on new harvest wheat that's coming into our mills, but we also do pilot milling on individual samples of wheat. We assess the harvest's effects on specific wheat types and if this varies in different areas of the country.

Pilot-scale bakery and objective product assessment - we can produce a wide range of products in our pilot scale bakery and do objective assessments on them. The photographs below are products produced from this year and last year's wheat crop. A computer image analysis system (C-Cell) is used to provide objective comparisons of products and the pictures can be stored from each year's harvest for future reference.

Customer support team that knows customers' needs - we have an experienced customer support team out on the road. Each year the support team does what we call the 'Big Bake' at the Technical Centre, producing a wide range of bread products to assess the effect of the harvest on our range of flour and to assess if any action is required by the millers to resolve quality issues. The flour miller's job is to ensure consistent flour quality irrespective of the harvest. Of course, in some years this is easier to achieve than in others and the 2012 harvest is an example of the latter!

Communicate well with customers, as the situation develops - It's important to have good communication between millers and their customers and it's a two-way thing as the situation develops. We are having weekly briefings, both within the business (to make sure our people out in the marketplace are up-to-date), and also direct to certain customers. Like everyone, we don't always get it right; in one instance a customer misunderstood our message and thought we had run out of wheat! The truth was that we were telling them that we had sourced extra supplies as an insurance against doing just that! Communication is always tricky.

How can you, the customer, help?

Understand the problems that we face - the 2012 harvest is causing a multitude of real problems

Trust us to do our job - We have the experience and backup to make the best of the wheat that is available and we will keep you informed on how we are progressing with this.

Work with us; our focus is customer satisfaction - but there may be times when, to get the best of the flour we can produce from the wheat available, you may have to adjust or change the improvers you are using and make some slight adjustments to dough mixing and/or dough processing. It's a three-way partnership really, between the customer, the miller and the baking ingredient supplier and we can all help build the technical solution.

Don't add further (unnecessary?) constraints - where possible do not put any constraints on what we are trying to do, such as, for example, only wanting 100% UK wheat in the grist for your flour. ADM supports the British farmer and has a growers' club (ADM Connect), but in years like this, when availability of quality UK wheat is limited, there is a risk that supplies may not be sustainable to get us through to the next crop. Even then, you may need to accept that a 100% UK claim will make the flour more expensive and possibly of poorer quality. Clearly, if a retailer is insisting on this for a specific product which is marketed as 100% UK, then you, and we, have to manage the situation and source the UK wheat. However, introducing new products with these claims is not sensible in a year like this, nor is rigidity on country of origin labelling for purely "bureaucratic" reasons. By this, I mean that multi-page specifications, which were completed 2 or 3 years ago with the origin box filled in as 100% UK should be changed if there is no customer / marketing requirement behind it. We have had one instance where a customer's technical people said that they didn't want to change because it was "a hassle" to change things on their specification system - this cannot be allowed to block change, if it is costing us and them money! I appreciate that many retailers are not satisfied with vague statements such as "milled in the UK from European and American wheat", but at times like these we may not know which specific countries we are going to be sourcing from later in the season. Of course we need traceability and food safety assurance, but perhaps we need to be a bit more open about the list of available countries, if there isn't a real commercial need for having 100% UK.

Concentrate on value, not cost - anyone can buy flour cheaply but will it give you the product quality you want? Unfortunately after a bad harvest, it may be necessary to accept a more expensive ingredient mix, be that bakery improvers, be that flour, or a combination of the two, because you know it's going to give you the product quality you require and less wastage.

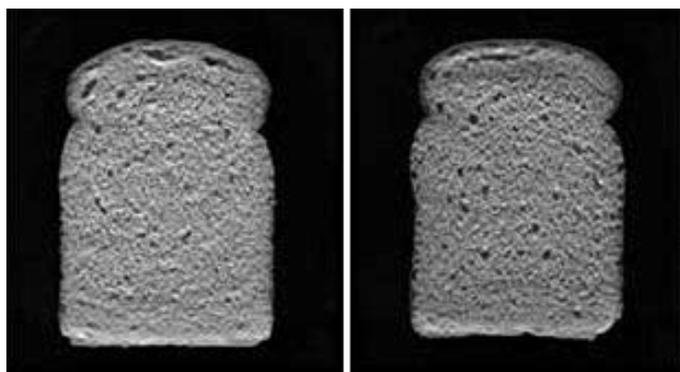
You as manufacturers do not want those constraints on your business if they don't need to be there, so we need to look at those things. To sum up therefore, it's about working together; it's about good communication, and ensuring you know what flour qualities you require for your particular business.

Mike Bagshaw We have had two fantastic presentations, both of which were very informative and highly relevant. Thank you very much. We have overrun our time so if you have any questions please catch up with Alex and Ian over lunch. Please show your appreciation to them in the usual way. (Applause)

LUNCH BREAK



Mike Bagshaw Our next speaker is Robin Jones, Joint MD of the Village Bakery, a truly family business run by Robin, his father Alan, and his brothers Tim and Christian. They won the 2010 Baker of the Year award at the Baking Industry Awards. They have three sites, 225 staff and supply wholesale and retail products. I welcome Robin to talk about Success in Baking.



Old crop

New crop



Old Crop

New Crop

Success in Baking

Robin Jones, Joint MD, Village Bakery, Coedpoeth, Wales

I'd like to thank the BSB and Keith Houlston for the kind invitation to talk today. If you know me, you will know that my passion is working in the bakery with my staff, rather than talking to an audience but I will do my very best to maintain the standard set by previous bakery-owner speakers. These include David Powell, Martin Lightbody, John Slattery, David Smart, John Waterfield and many others, so to be here today is quite an honour. My talk is from the heart, what the Village Bakery is, what we do and how we do it. How we do things may not suit everyone but I hope you will be able to take something from my talk



Company Overview

- Coedpoeth Site**
 - > Small volume artisan products
 - > Large volume savouries
- Gluten Free Bakery (Nutrition)**
 - > Pizza
 - > Polarbrod
 - > M.A.P.
 - > Frozen
 - > Fresh products.
- Wrexham Site**
 - > Hot plate
 - > Baked
 - > Frozen (Unbaked / Baked)
 - > Miniature Party food components
 - > Part baked bread

The Village Bakery was established in 1934 as the Edward Brothers' Bakery in Coedpoeth, a small village just outside Wrexham. There were seven other bakeries in the village then, which had a population of 4,000! My granddad Harry and my dad Alan were working for Sunblest Bakeries in the 1960s, as Sales Manager and Production Manager respectively. They became a bit disillusioned with plant baking and saw an opportunity to buy the Edwards Brothers bakery, which they did in 1964 and re-named it The Village Bakery. It was a small bakery then, with seven bakers and confectioners. They delivered door-to-door, and supplied the local coalmine, steel works and so on. Their strategy from the start was to produce fresh good quality bakery products and offer exceptional customer service and this has held us in good stead ever since.

Over the years since 1964 the Village Bakery has had an ongoing programme of growth, innovation and change and is currently wholly owned by four Directors, Alan Jones, Chairman, Robin and Tim Jones, Joint Managing Directors, and Christian Jones. In the early 1990s we moved from our original site to a new purpose built bakery in Coedpoeth. We also built a gluten-free products bakery in 2008 and a hotplate goods and frozen products bakery in 2011, so we had had constant expansion to meet market demands. As you can see above, my dad is still involved in the business. Having retired 11 years ago, he came back full-time last October because he wanted to help us cope with our expansion plans and he is certainly doing that.

Where we are today? The Village Bakery Group produce a range of premium bread, rolls, hot plate goods and savouries, sold through 5 retail shops and a large wholesale distribution fleet. Customers range from: major retail multiples, food services accounts, symbol groups, forecourts and independent bakers. We employ 250 people and have three sites: Coedpoeth bakery, which we built from scratch in 1992, and extended again in 2001 to 45,000 sq. ft.; our gluten free bakery in Wrexham, where we currently produce around 300,000 packets of rolls and gluten-free loaves per week which are sold throughout Scandinavia, France and Germany under the Hero label; and our Wrexham bakery, where we produce hotplate goods, frozen goods, and various other products.

Coedpoeth Site



The site at Coedpoeth is the grassroots of the Village Bakery Group, the original company in the group. The Village Bakery produces a range of premium bread, rolls and savouries. These products are sold through 5 retail shops and a large wholesale distribution fleet. The areas covered by the deliveries vehicles at the moment are North Wales, Shropshire, Mid Wales, West Midlands, The Potteries and Cheshire. Other areas are covered by agents. Customers range from major multiples, food service accounts, symbol groups, forecourts and independent bakers.



Coedpoeth Bakery This is the goose that laid the golden egg. It's our history, our family and where we came from. When my dad and granddad moved to Coedpoeth in 1964 to take over the business the other bakers in the village said "give it 2 years and they will be out of business". However the business did survive and prosper, due to the strategy of producing excellent quality products and offering exceptional customer service and after many years of success we moved to the current site in 1992. It was a greenfield site and we set out to build a bakery that would meet our needs and those of our customers, with high standards of hygiene and a modern clean appearance and we're very proud of it. Here we make crusty breads, soft rolls and savouries. We have a large savoury department butchering our own meat and making our own pastry. On the bread side we are moving strongly towards longer ferments for our crusty breads and some of our bread product launches of late for Costa and a few other retailers, have been produced from 24 hours plus ferments. We have also taken our salt level in bread recipes back up to 2.2% of flour weight to improve flavour and we make no bones about it, this was what our customers wanted! I know there are FSA guidelines on salt level in bread but our customers want flavour. If they don't want the flavour they can buy sliced bread from other manufacturers. So we're not politically correct and we don't always follow Government guidelines, but we have very clean and hygienic bakeries that are fit for purpose, with BRC Grade A certification on every site.

Gluten Free Bakery We think that success is about finding and taking new opportunities for growth. In 2007 we were approached by Hero in Switzerland, who asked if we could make gluten free products for them. I said yes, although I didn't have a clue about how to produce gluten free products, particularly to the standards required! We were allowed to work with their existing gluten free products supplier, who wanted to get out of the market. It was primarily a pharmaceutical products manufacturer and the profit margins in gluten free bakery products were not good enough for them. The first day we visited their bakery, and remember pharmaceutical companies love to talk about world class manufacturing sites, my dad and I were open mouthed at the waste, the production conditions and how they treated the bread. They had graphs for everything and their historical waste level in the factory was 12% - 14%! They had 72 bakery operatives and 6 people in their planning team, and we could see that overall, they had a lot of problems. So we told Hero that we would produce the gluten free products for them but we would do it properly, with the right equipment, ingredients and production methods. We considered the equipment required and bought an automated bread plant and looked at suitable provers and ovens. We also looked at HEPA filtered coolers, because a lot of gluten products have to have a long shelf life, we reckoned that if we can keep the mould spores away from the products before they are wrapped or bagged, we can guarantee the shelf life. So we equipped, tested and opened our gluten free bakery and the waste level over the first 6 months was 0.05%! We have 28 operatives in total on the whole site, covering bakers, storemen and administration. That's the difference between us and their previous supplier. Not only have we given Hero good cost savings, we have also been innovative with new products and developed gluten free pizza and

**Nutrition
(Gluten Free Bakery)**




The Village Bakery (Nutrition) Ltd was formed to supply a range of gluten free Bakery products for the Juvella Brand, which is owned by Semper AB, part of Hero. An International brand-focused consumer-foods group.

We are a production focussed company and welcome this opportunity to work for one of the worlds best marketers.





polarbrod (a round flatbread type product very popular in Scandinavia). The Village Bakery (Nutrition) Ltd was formed to supply the range of gluten free Bakery products for the Juvella Brand, which is owned by Semper AB, part of Hero, an International brand-focused consumer-foods group. These gluten free products are sold all over Scandinavia, France and Germany through Hero - we're the bakers, they're the marketers and distributors.

Wrexham Bakery Our latest bakery is Wrexham and again we are very proud of it. Having a few pounds in the bank we felt we could go all out to produce a first class 30,000 sq.ft bakery built to our specific requirements and we opened it last year. We wanted a versatile bakery in which we could make: hot-plate products, including Welsh cakes, a favourite product of ours; scones; bread products, part-baked and fully baked; and have the facilities to freeze products for frozen product supply (Spiral freezer capacity 1.5T per hour). We have space and equipment in the bakery to produce a wide range of products. We deal a lot with Marks & Spencer's and their environmental Plan A is a big thing for us and we had it in mind when planning the new bakery. We were able to equip it with the best energy efficient equipment to make it environmentally friendly. All lights have motion sensors, so if no-one's working in an area the lights there go out. Our ovens are far more efficient and produce 40% less CO2 than our previous ovens

Wrexham Site (new Bakery)

Moving Hotplate

- ❖ Capacity to produce 12000 Welsh Cakes or 19000 Mini Welsh Cakes per hour.
- ❖ Energy efficient facility – initiatives in place to reduce environmental impact and reduce energy consumption:-
 - > Zero waste to landfill in operation.
 - > Energy efficient lighting.
 - > 40% less CO2 emissions used per kilo of product versus a conventional Craft Bakery.




Flexible packing facility

- ❖ Two flexible flapack packing lines.
- ❖ Ability to pack selection packs on line.




in Coedpoeth. These are ticks in the right boxes for M&S, who see it as helping to save the planet and it is also saving them costs. In addition we have flexible packing lines that allow us meet the packing requirements for any new products and 100 pallet Frozen Storage & 80 pallet Ambient Storage capacity.

Success in Baking. What in fact is success and how do you measure it? Definitions of success are shown on the slide. We've won many awards, developed our company and bakeries, and have a great team of people working for us. I think a measure of success is not one award but a number of awards over the years.

We were Craft Business of the Year in 1998, 2003 and 2008 and I believe we're the only bakery in the UK to win it three times. We were runner-up as the Baking Industry Awards' Baker of the Year in 2008 to Piero Scacco and he's a legend in the industry, so to be runner up to him was fantastic! We then won the Baking Industry Awards' Baker of the Year in 2010. We've won many other awards: Great Taste Awards, True Taste Awards, Welsh Exporter of the Year last year, we've won an award from HSBC for a Welsh Medium Sized Business of the Year, so yes, we have had success and accomplished some of our aims.

1. How do you measure success?

2. What is success?

"The accomplishment of an aim or purpose."

"Person or thing that achieves desired aims or attains fame, wealth etc.."



Oysters & Success I would like to compare our success to a plate of oysters. We do our research to find the freshest and best oysters can and to know where they came from, their provenance, and we take them home to eat them. One or two of the oysters aren't going to be quite right, and every now and again will make you ill. This is the same with anything you do in the bakery, a bad oyster can represent a bad business decision, or a mistake by a member of staff which is going to disrupt things for you. Knowing when to spit the bad oyster out in terms of being able to deal with problems is one of the reasons for our success. This is where some businesses go wrong, they get greedy, and they eat these bad oysters and it make them sick, and their businesses in trouble. Now every now and again you find an oyster with a pearl in it and we've all got them in our business. Bakels have multi-seed bread, which is a pearl for us. Another for us is Welsh cakes and from the Welsh cakes we developed a product for Marks & Spencer's and we grew on that success. From success with M & S we grew with Tesco and developed products for them. Once you build a good reputation with retailers it becomes easier to gain new business. Our gluten free bakery is another pearl that gave us the opportunity to grow that area of the market. So before too long we had a pearl necklace! So we always look after the pearls, we nurture them, and these pearls have taken us through to the next level of business.



Growth A motto that we like to quote, and it's true, 'success comes not from growth but from change'. We could have been 10 times bigger than we are but we couldn't have made the profit that we make today. Throughout the Village Bakery's history we've been prepared to change - we've looked at new markets and new opportunities. We don't want to be like farmers and whinge about the weather, the prices at market, or the supermarkets, since all that is a reality that we have little control over. We just get on with things, see what opportunities are out there and consider what we can do with them. This is more relevant now that it ever has been. Wheat and energy prices are going through the roof and we have increased competition but Tesco, Sainsbury's, Marks & Spencer's etc, don't want to know about our problems - they just want good value for their customers. We've got to change and make products that aren't subject to price comparison. We need to have innovative plants that reduce costs, reduce CO2, use less energy and produce quality products and the economies will come with this.

We bear this in mind with everything we do and endeavour to carry this forward, so perhaps this is the reason for our success? 'A restless dissatisfaction for what we do', is a theme that runs through my core, through the Village Bakery. My dad sticks to this principle. My wife would say that I'm always restless; my colleagues say that I'm never satisfied, and I think that is key. We see an opportunity we act on it. There are loads of opportunities out there and we've acted on them. There are some members of the BCA in the audience today and we have a bit of banter at BCA meetings about the grants I get from the Welsh Assembly Government. At the last count the Village Bakery had received £1.3 million in grants. But that's only 30% of the cost of projects and we are committed to the other 70% and we are also guaranteeing the jobs, building the business and taking the financial risks - it's my house on the line if it all goes wrong and we cannot pay the bills!

Decision Makers We have a small team of focussed decision makers - called the family! We can make decisions during Sunday lunch at mum and dad's; at a get together at my house; round the boardroom table; or out in the factory at work. It does not matter where. We discuss what is required and good or bad, we agree the action required very quickly. Our bakery is run by bakers' - we're not accountants and we're not marketers. We know what we can produce in our bakeries and we know where the opportunities are. We would like to do a bit more, and we're thinking long-term, thinking for my kids and succession. I don't claim to be a Warburton, we're not as good as that, but we're thinking about the next generation of the family that hopefully will come into the business.

Passion I have a passion for the fantastic occupation of baking and for the industry. Passion is a word that's banded around all the time. Anyone who has been shown round our bakery by me knows that I have passion for what I am doing and my staff have passion for what they are doing. If they haven't got passion I don't want them as part of my team.

Barriers to success

Professional Managers with their own agenda - I've employed one or two professional managers to improve the quality of the Village Bakery. It hasn't worked unfortunately because, in my view some have got their own agenda, and it's not to improve our bakery it's to improve their CV, or to upgrade their company cars! If you get a professional manager who is for the business, great, no problem at all, but if you get the wrong one he or she can cause you problems and if you realise this is the case you have to act quickly on it.

People who think their job is more important than others in the team - anyone can walk into my office, or speak to me in the bakery - we're all on one level and I think that's very important. The moment I hear of somebody getting above their station is when to say, 'hang on remember we're a bakery, we're not a marketing department, we're not an accounting function, it's a bakery and we're all equal.'

The way we have always done it - that says it all. We've got to look to change things; we've got to look at reinventing the wheel. If somebody says, 'we've always done it that way', I say, 'well it's not good enough.'

Happy as we are, not looking to better ourselves - you know we're never happy; we've got to look to be better.

A rigid business plan - thankfully we don't need to kowtow to the banks because we've always had a history of reinvesting our profits, so we haven't had to do a rigid business plan. I recall being at the Welsh Assembly Government to do a talk on my business and met a chap who was looking for funding for his cheese business. He had a 25 year business plan, with wonderful graphs and projections on how many packets he was going to sell, which retailers he was going to deal with, what promotions he would run, and so on, to eventually achieve £20 million of sales per annum. I thought, "how on earth can you plan for 25 years, it's totally unrealistic". Well he's not even turning over £2 million a year yet and we passed £20 million a year sales a couple of years ago without a business plan!

Succession - it is important for owners of businesses to know when to pass things on to the next generation. My granddad stayed

on too long and tended to interfere in plans and decisions and was averse to us taking risks with new projects and new business. Many businesses face this problem and it can spoil the vision the next generation has for the company. I am lucky that my dad isn't in this category yet. He's passionate, asks pertinent questions and gives me some challenges, but he is happy to see the bakery flourish and accepts the installation of automation in the bakery, as long as we keep to our craft and to the basic principles of quality.

To summarise, nobody's going to give you anything on a plate, you've got to work hard for it. Enjoy what you do and have passion for your products and your team. Thank you.

Mike Bagshaw Thank you Robin - a very good presentation. I will start the questions rolling. I'm particularly interested in the succession planning in your family business. I would like to know what kind of steps you're looking to take in your business to give future generations some of the experience required to take the business forward.

Robin Jones It's going to take a while because my kids are quite young, and to be quite honest I don't want my kids to come straight into the business. My two brothers came straight into the business and have therefore never experienced anything outside of the Village Bakery. I had the advantage and joy of going to Greenhalgh's Craft Bakery to do my apprenticeship so I saw a different side of things. At this moment in time we're just trying to nurture the management team we've got there, so I think we're 10 years away from me turning off, if you understand what I mean, so we're quite fluid at the moment.

Question: Sylvia Macdonald, Croydon Can you tell us a little bit more about NPD development, what proportion of staff are employed on it, do you ask them to come up with say five new products a month?

Robin Jones We're brief driven really on NPD. If a supermarket give us a brief for a new product we'll act on it through NPD. Also if we see an opportunity or idea for a new products we'll work on it. We've got an NPD Department they are the most disorganised people in the world. We don't do NPD very well and we want to improve it. We've just built a new 4,000 sq. ft NPD Centre and we're in the process of equipping it with a wide range of equipment to cover our requirements, so I believe we'll have a nice and functional NPD facility. Ideas for NPD can come from members of staff, competitors' products, or just looking at what's out there. We are not into hugely innovative products because we haven't got the outlets for them.

Question: Keith Houlston Thank you very much for a first class presentation Robin. You still have some retail shops. Do you see much future for retail shops within your business?

Robin Jones We've got five retail shops and four of them have cafes. I'll be honest with you things are a bit glum at the moment on retail. We will hang on to them as long as they're making money. Also with retail shops we've got an avenue to take a new product and test it that afternoon, or the next morning, and some of the supermarkets like that, so as long as we're still doing that we will keep our retail shops. Watch this space.

Delegate: How do you find your bakers - where do you advertise, how do you advertise, and do you train new staff yourselves, or do you take people on with qualifications from colleges?

Robin Jones There were no skilled bakers around in 2001 so when we built Coedpoeth Bakery, we built a training room in it. My dad called it, 'a great big white elephant', but ever since then we've trained 19 apprentices and only 2 have left us since 2001! On Tuesday Mattie, one of my original apprentices when he joined us so many years ago, became the Factory Manager of the gluten free bakery, so he has progressed from a few pounds an hour to an excellent salary, so that's a nice success story. We train our staff and try hard to keep them, so that as we've grown we've had trained staff to fill the bakeries.

Question: Faith Castle, National Skills Academy Fantastic presentation, you're so passionate it's great to see. I just wondered, talking about getting new entrants and training them up, how do you approach the issue of getting young people interested in the baking industry?

Robin Jones We try and work with local schools and with Career Officers, who are a waste of space. They think the baking industry is from the Dark Ages and that we're all up at 3 o'clock in the morning, and covered in flour and so on. They don't realise that we have things called computers in the bakery, and plc controlled plants, so we struggle. When we do find the good ones we keep them and then we progress them, but it is hard. Kids today are lazy. We've got a Nintendo generation who aren't used to discipline, hard work and following orders, so it's difficult.

Mike Bagshaw Robin thank you so much an excellent presentation. (Applause)

Mike Bagshaw Robin thank you so much for coming and presenting an excellent presentation. Time now for our next paper, from Dinnie Jordan, the Managing Director of Kudos Blends. Having previously worked in the phosphates industry, Dinnie started Kudos Blends 13 years ago to produce technically driven raising agents and has achieved great success, with a current turnover of £5 million. Talking to Dinnie last night, it's obvious that she has passion, commitment and belief in what she's doing and I welcome her to the stage. Her presentation will be slightly different to what's in the programme, since it will include a global perspective on sodium reduction.

Reducing Hidden Sodium in Bakery Products

Dinnie Jordan, Managing Director, Kudos Blends



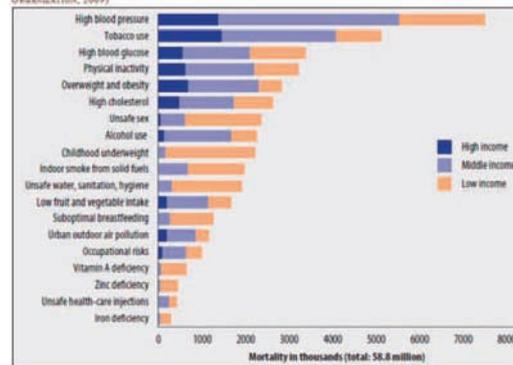
Thank you to the British Society of Baking for inviting me here today. I will start by giving an overview of the global position on sodium reduction around the world; then move on to discuss the use of potassium in food products, which is controversial in the UK but not in the rest of the world; and lastly I'll be focusing on the options available to reduce sodium content of bakery products aerated with baking powder.

In my talk I will refer to sodium in food and baked products, which can be sodium derived from the addition of salt (sodium chloride), or sodium derived from the action of baking powders, which is my primary interest. Where I refer to salt in food, this will be sodium chloride. The UK is the only country in fact that talks about salt reduction rather than sodium reduction, and I think it's possibly because many consumers are not clear that salt contains sodium, so there's been a bit of confusion. The banners we first did for our exhibitions for America all said, 'salt reduction' and every visitor asked if we were doing salt replacements for bread, so we learned from that to refer in future to sodium reduction!

High Blood Pressure There is extensive and overwhelming evidence that excess sodium in the diet raises blood pressure. Most high blood pressure problems around the world are caused by high levels of salt (sodium chloride) intake from prepared foodstuffs which contain salt, and from salt used in cooking and sprinkled on food while it is being eaten. Most of the evidence for this comes from cardiovascular surgeons. The Consensus Action on Salt for Health (CASH), was set-up in 1996 by Professor Graham MacGregor, a well-known surgeon, and 22 other experts. CASH now has 455 surgeons worldwide signed up to their initiative. Lowering blood pressure, can result in significant health benefits, reducing strokes, heart attacks, and all heart related diseases, so there's good health reasons for doing it. Continuing on the salt/sodium reduction theme, the World Health Organisation supported the development of national strategies to reduce sodium, from the New York Salt Reduction Initiative, to CASH, to WASH, the World Action Salt on Health. They did so because salt reduction is projected to be one of the most cost-effective ways of reducing the burden of high blood pressure related illnesses on healthcare institutions such as the NHS. So is it about saving lives, and at the same time saving costs!

This slide really shocked me in my research. These are all the categories of non-transmittable diseases, and the deaths per year caused by those non-transmittable diseases. The top one is the high blood pressure issue, and that swamps the next one down, which is smoking related illnesses. An enormous effort has rightly

FIGURE 2. DEATHS ATTRIBUTED TO 17 LEADING RISK FACTORS, BY COUNTRY INCOME LEVEL, 2004* (WORLD HEALTH ORGANIZATION, 2009)



been made by governments to reduce smoking related illnesses by banning smoking in public places, restricting or banning tobacco advertising and putting stark health warnings on cigarette and tobacco packets. October is publicised as National Non-Smoking month, so governments have put a lot of effort into reducing tobacco use for the health benefits they bring and the savings in cost to the health services. However high blood pressure related illnesses are also a massive cost to society on a global scale, larger than even smoking related illnesses and that's why there are tremendous efforts, led by the WHO, to reduce sodium intake in the diet. The projections are that it could potentially save 36,000 strokes per year, so its big numbers we're talking about. I don't think I fully realised this until I got into the subject and started reading about it. You see government targets on salt and sodium levels in food and try to meet them but perhaps we do not fully realise how important they are in improving our health!

So where are we now on sodium reduction? Around the world there are 32 countries with sodium reduction initiatives, some of whom may or may not surprise you - Slovenia, Latvia, Malaysia, New Zealand, Norway, China, Cyprus, Denmark - I could go on. They all believe that sodium reduction initiatives are very important. In fact it's pretty much all countries except for the African region. 26 of those countries are led by Government initiatives and targets; 5 by non-Government organisations, such as AWASH (Australian World Action Salt & Health); and one by industry. So that's where we are, it's not just about the UK, there is a true global requirement to reduce salt intake to help our health. 28 of these countries are working with the food industry, and 10 have front of pack labelling giving consumers a choice about what they might buy in terms of salt level. Front of pack labelling was particularly successful in the Netherlands where they very clearly, said, 'we're offering low fat, low salt, low sugar', and then they found a dramatic reduction in sodium intake in the diet over a period of time, so it's a very successful strategy in the Netherlands.

Consumer awareness schemes have also been quite important. I am sure you will know of the Food Standard Agency's 'Sid the Slug' advertising campaign in the UK a few years ago to raise salt awareness and other countries have done similar things. Australia had a 'Drop the Salt' campaign, so consumer awareness is important to achieve the salt reduction required in the diet.

Recommended maximum salt per day based on age

Maximum salt intake

- 0-6 months <1g / day
- 6-12 months 1g / day
- 1-3 years 2g / day
- 4-6 years 3g / day
- 7-10 years 5g / day
- 11 years and above 6g / day

We move on to the recommended salt levels, see above. Now we're trying to achieve 6g per day, as per the UK Government's target, and the WHO's target is less than that at 5g per day but it's the children's area that we seem to be concentrating on. There are a lot of initiatives in various countries, starting at the intake of salt from food eaten at school. Ecuador, a remote little country, has initiatives that are all about reducing salt in children's food, educating young children, and also changing their tastes regarding lower levels of salt in food. As they become older their natural salt

intake will be lower because that will be their preferred food flavour choice, what they're used to, so it's a very good way of doing it. Of course we all want to look after our children so it's a natural thing to say to them, 'don't eat that, don't put salt on your chips', but what do we do, 'we put salt on our chips'. It's one of those situations of 'do as I say but not as I do'!

Vanilla Cake (Assuming 10% bake loss)	Recipe	Sodium contribution	
		with NaHCO ₃	with KHCO ₃
Flour	29.6		
Sugar	22.7		
Egg	15.7		
Margarine (unsalted)	15.0		
Water	10.9		
Other ingredients	4.5		
Salt	0.3	0.120	0.060
Disodium diphosphate (SAPP) E450	0.75	0.153	0.153
Sodium bicarbonate	0.55	0.151	
TOTAL	100	424mg/100g	213mg/100g
TOTAL AS SALT	100	1.06g/100g	0.53g/100g

Let's look at the UK The UK has led the world in lowering salt levels in food and had the first government led initiative that developed the model that calculated the necessary sodium reduction required in each food category to give the recommended maximum sodium intake per day in the diet and it worked. The Food Standards Agency started that initiative in 2005, and only had 6 months to pull all the information together, about where the sodium intake came from in every single processed food category and to set some target levels. I think they did a very good job, because we've seen a considerable reduction in sodium intake in our diets in the UK, with a 1.5g drop in average daily salt intake from 2000 to where we are today. Interestingly a lot of published information came out in June this year from both Leatherhead and the Department of Health, and since then all the other countries went, 'oh we're doing it too ... we're doing it that way ... we're doing it this way ...' They all sat on the fence until we published some data which said, 'hey guys it worked', and how it has worked. Canada followed suit and other countries are doing similar jobs, so it's great that we have led the world in this particularly initiative. It's considered to be the most successful policy introduced since the Second World War.

Potassium in the diet One of the things many of us may not be aware of is the importance of the balance of sodium and potassium in our diet. It is quite clear from American's diets that they're considerably short in potassium, and they fail to meet the balance of the sodium and potassium requirements. Everybody forgets about potassium, it's all about sodium reduction but there's good documented evidence to suggest that increasing potassium will have the same beneficial effect as reducing sodium. The UK appears to be the only country not to be considering this. In America they've got clear targets and guidelines on the need to increase potassium in the diet for every single person! This is because of the synergistic relationship between sodium and potassium, and how they work together to maintain body fluids and help to excrete sodium. What do the medical professionals say? The cardiovascular health surgeons recognise the importance of bringing sodium and potassium up in balance in the diet. Of course if we did use more potassium alternatives to sodium bicarbonate then the level of potassium in powder raised bakery products would increase, and the level of sodium decrease, so that's a good argument for using potassium alternatives. One of the things medical experts have discovered is that to increase potassium in the diet you have to eat foodstuffs that contain potassium – you cannot supplement your diet by taking potassium on its own! In an ideal world we'd be eating fruit and vegetables, potatoes have got a high amount of potassium in them, and other vegetables, that come out of the earth, to supplement our potassium level. We don't tend to do that as a society, being more into fast foods than traditional home cooking, and unfortunately we don't take enough potassium from the food that we eat.

The Target Nutrient Intakes

...and where we are against the targets

Targets	Sodium mg/d	Potassium mg/d
Men & Women Target	2400	4700
Men & Women Current	3240	2800

Target nutrient intakes These are the targets for sodium, 2,400mg, which is the WHO's limits, at 5gm per day; and potassium at 4,700mg, and where are we in the UK, rather short of our potassium. We need to get the potassium up and the sodium down. You can see that if we started to replace sodium with potassium suddenly the balance just shifts, and if the balance just shifts everything wins, because of the combined effects that help in lowering blood pressure. Potassium is the natural alternative. It is located next to sodium in the periodic table and because of that it has the same sort of chemistry - sodium chloride, potassium chloride; sodium citrates, potassium citrates. In our case, as a business producing raising agents, potassium bicarbonate was the chemical that became interesting as an alternative to sodium bicarbonate for the food industry.

I set-up our company to become a leading supplier of technically driven raising agents but these make a large contribution to the sodium content of powder raised bakery products. The ingredients we purchase for our raising agent blends have high sodium levels and so that presented us with a bit of a problem when we started



looking into sodium reduction in bakery products in 2003, before the salt, and therefore sodium, reduction targets came out from the Government. We had to do something to reduce the level of sodium in powder raised products, which results from using conventional sodium bicarbonate based raising agents.

If we have a look at a vanilla cake recipe below, we can see that the salt, the acidulant (sodium metaphosphate) and the sodium bicarbonate (NaHCO₃), all add greatly to the sodium content of the cake. The SAPP and sodium bicarbonate (NaHCO₃) contribute more sodium to the recipe than the salt, so we decided that we had to do something about it.

The formulation challenges that we had to look at when reducing sodium were difficult. We had to ensure that the alternative raising agent produced a cake with the correct volume, texture, mouth feel, crumb structure and flavour. Sodium chloride has two important functions in cake and many other bakery products. One is taste, as we all know, and the other is its preservation properties, particularly in improving mould-free shelf life. It's one of the most effective means of maintaining shelf life, so it is best not to reduce the salt level.



For scones, muffins, crumpets, fairy cakes, sponge cakes, etc, it is the chemical raising agent that causes these products to rise during baking and it's very simple chemistry. The chemical reaction between an acid and a carbonate during the early stages of baking produces carbon dioxide gas, which aerates the product, plus some water and a residual salt. The raising agent needs the heat and moisture to make the cake rise and give the texture and volume but it is the acid component that controls the important chemical reaction speed. These are the phosphates that we all know and love, and are ingrained in my body after 20 years in the phosphate industry! They control the reaction speed of the raising agent, whatever the product, scones, crumpets, cakes, etc, to ensure maximum volume is achieved and that the carbon dioxide gas is not liberated too soon or too late. So phosphates have a very important function in raising agents and therefore should not be changed. So that left us with replacing the sodium bicarbonate with potassium bicarbonate.



We had already discovered was that it is essential to have a fine particle size for sodium bicarbonate and so this was equally important for potassium bicarbonate. If a coarser grade of carbonate is used it does not dissolve fully in the cake or scone mix causing the following problems: spotting across the whole of the crumb with dark brown spots of un-reacted bicarbonate; full aeration of the product is not achieved so the product does not rise correctly; and the appearance and eating quality of the product is reduced. When you spot the product with universal indicator solution to see what's happening to the pH of the crumb, dark spots of alkaline show, the rest of it is too acidic, so you've got a problem with mould.



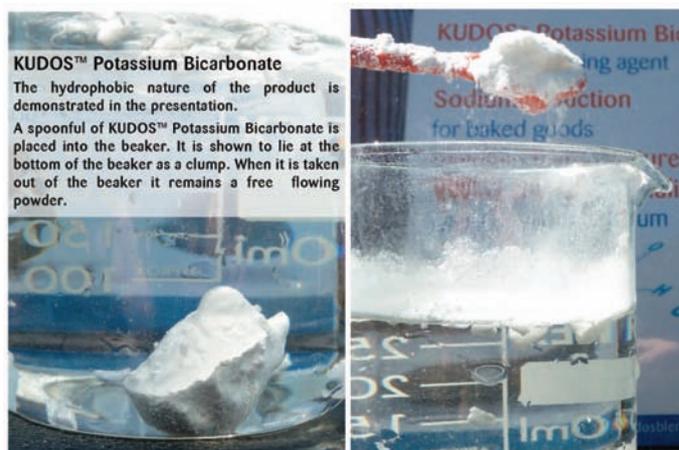
Sample A (Course Bicarbonate) Unightly spotting caused by coarse carbonate; Localised areas of high pH, Poor colour, Poor volume

Sample B (Fine particle bicarbonate. Satisfactory volume and colour.

So we ground the potassium bicarbonate to a fine particle size specifically for bakery applications, and we've been successfully doing it since 2005. It eliminates spotting because it properly dissolves fully in the medium, whether its pizza bases, scones, biscuits, doughnuts, it dissolves properly, and because it's so fine in particle size it changes, or helps, the taste profile of the product it is in.

Potassium ingredients have a big no-no about being metallic, and everything's about balance, too much potassium, yes I'll agree, go over the top and it's a taste problem, but also particle size. If you think about it a coarse particle, a large particle that hasn't dissolved, will hit your tongue in a localised area and give you that taste effect, so if you make it fine, it applies right the way through, whatever your potassium salts are, potassium chloride, potassium citrate, make it fine so it dissolves quickly and its homogeneous throughout that bakery product. No more localised areas of metallic type taste coming through.

Once we had established that a fine particle size was required we sent a tonne of potassium bicarbonate to a grinding company for grinding to the required particle size. This they did but when it was returned to us we had a one tonne solid block, like a massive great tombstone. We made the mistake of forgetting that it is very hydroscopic and so it didn't work. We had to look for a way to make it water repellent, to protect it from absorbing water from the atmosphere, particularly in hot bakeries where it's sitting in ingredient bins, or if it's going across in ships to America where there is a rather hotter climate. We had to stabilise it to retain its leavening power and stop it absorbing water and we did that by making the fine particle potassium bicarbonate hydrophobic. To demonstrate, see the picture below.



By solving the problem we had of using fine particle size potassium bicarbonate for lower sodium raising agents, we have also introduced some exciting technology for us as a business to produce water repellent powders. The implications from this are that there are all sorts of other ingredients and blends with which we are thinking of using the same sort of hydrophobic technology. We all want longer shelf lives for our ingredients in our own storage and in bakeries, whether it's pre-mixes, powders, etc and using the hydrophobic technology can achieve it. The technology is particularly useful when powder blends include acidic ingredients, so it's an important part of our game plan, and we've now got a patent pending for it.

Some of the things we've discovered when using Kudos potassium bicarbonate

Replacement for sodium bicarbonate level Due to differences in the gas values derived from the theoretical molar carbon dioxide release, you are supposed to add 19% more potassium bicarbonate compared to sodium bicarbonate without changing the pH. This may be true in a beaker of water, but we all know when it comes to bakery products that it's a bit more of an art, and that the science isn't always known. In most bakery applications you don't have to do this, so some of the things we see you can't always account for, you've got to do visually. If the theory from the books doesn't work, adjust it accordingly. So a one-for-one replacement for sodium bicarbonate is the best way to start.

Taste As I said earlier, the metallic taste isn't present because the potassium bicarbonate is ground to a fine powder. We found an interesting fact that when you start to reduce salt in products such as scones, for example, take some salt out, take the sodium bicarbonate out and put potassium in, it tastes sweeter. We presented a talk earlier this year in London organised by Food Ingredients Europe. There were a 100 people on the panel, and we took little mini cupcakes for them to taste and they all said they preferred the reduced sodium ones and that they were considerably sweeter. This was an important independent taste trial.

Colour Sometimes you may see a slightly darker crumb which is not as white as it used to be. Now if it had been at the time when we took chlorine out of the flour probably everybody would say it's really dark but it's just that step change again, a little bit like moving from chlorinated cake flour to heat treated, the same thing again from where we are now. Choosing potassium bicarbonate just gives a slightly more rustic colour, does it matter, probably not.

Reaction Rate The rate of the reaction is controlled by the acidulant part of the raising agent, the phosphates, and it's unaffected by whether it is reacting with sodium or potassium bicarbonate, which delivers the carbon dioxide gas to make products rise.

If we look at the sodium contribution from the potassium bicarbonate (KHCO₃) recipe above, by halving the salt (sodium chloride) level and replacing sodium bicarbonate with potassium bicarbonate, we can meet the Department of Health's target levels of 213mg sodium per 100g. Some people may ask about how much potassium are we putting in? The amount of potassium in 100g of, for example, a muffin, is equivalent to one mouthful of a banana, which isn't a lot. Nobody is saying replace the sodium 100% with potassium. We're not going to be able to do that anyway, it's just about bringing the sodium down and the potassium up to put it into balance and make it work, for all aspects, whether it's the food processing industry, making cakes or in cheeses or meats, but also of course to alleviate the health problems associated with high blood pressure. Although it is not something we are involved with, we know that there is also a limit to the level of sodium reduction possible in bread by lowering the salt level, due to processing problems associated with low salt bread dough and loss of flavour in the bread.

What we can achieve in bakery products aerated by raising agents? A 50% reduction in sodium is generally achievable and more than sufficient. Make sure you change the carbonate only to potassium bicarbonate to maintain the raising agent functionality, and increase the potassium in the diet, bringing it in balance with sodium for proper body function. Thank you for listening.

Mike Bagshaw Thanks very much Dinnie for a most informative presentation. We have time for a couple of questions.

Question: Peter Jones, Cheshire First of all a fantastic presentation, you make science interesting, you should be a teacher in your spare time. Two questions, one is the hydrophobic bit, how do you then use it in the bakery, how do you mix it?

Dinnie Jordan It's on a microscopic level and if I put some acidulant into that beaker it would react. The shear of mixing and adding moisture takes off the hydrophobic coating.

Peter Jones, Cheshire Secondly shelf life. We know the preservation properties you get from salt. Are you saying that you don't get this from potassium?

Dinnie Jordan No, what I'm trying to say is that if you leave sodium chloride in the recipe, that gives you your shelf life, because we know that salt is a great thing for preserving.

Peter Jones, Cheshire But if you half the salt level, as per your example?

Dinnie Jordan That's a good point but of course we've got to go somewhere towards the sodium reduction targets. The first instinct is to take salt out altogether. That's to really achieve those targets that we want to, and to do that it's half of the salt and half from the raising agent, and that gets to where we need to be on sodium content. I just want to finish by saying thanks to everybody for listening. I apologise that I had so much to present and I got carried

away with the global initiatives. I wanted to cover as much as possible.

Mike Bagshaw Please show your appreciation for an excellent presentation. (Applause) This brings us to the final speaker of the afternoon, Jane Houzer, Executive Dean, Faculty of Business at London South Bank University. Founded in 1894, the National Bakery School is world famous for its facilities and quality of teaching in the practical, academic and technical sides of baking, enabling students to enjoy successful careers in the baking industry. After gaining an MSc (Econ) at the London School of Economics, Jane had a long and successful career in the banking and financial world, before taking up her present position in 2007. Jane will provide an insight into the recent changes at the NBS and on the bakery two degree level courses that it is now offering. Please welcome Jane Houzer.

Moving to a Higher Education Paradigm



Jane Houzer, Executive Dean, Faculty of Business, London South Bank University

I am going to talk about a higher education paradigm shift for the baking industry. As you will see from Mike's introduction, I do not have an academic background. There was a phase a few years ago, for various reasons, when business schools were employing people from the business world to run their establishments rather than academics. When I came to

London South Bank University I was delighted to find that the National Bakery School (NBS) is both an integral part of the university and included in my portfolio as the Dean of the Business Faculty. Therefore for the last 5 years I've worked very closely with the Head of the National Bakery School John Marchant, who many of you will know, to keep the NBS alive and thriving in the face of funding cuts and other problems. To do so has meant going down a path that not everybody agrees with and I've certainly learnt a tremendous amount over the last 5 years about the baking industry. The need for change has been a theme in other presentations today: Nick Tatum, Tesco 'we can't just do as is, we have to change when it is required', Robin Jones "success comes not from growth but from change" and Louise Codling, National Skills Academy, also expressed the need for change in the training and development areas during her presentation. This has also been the case with the NBS and I will now discuss the reasons why we had to make changes and what changes we have made.



John Marchant, NBS

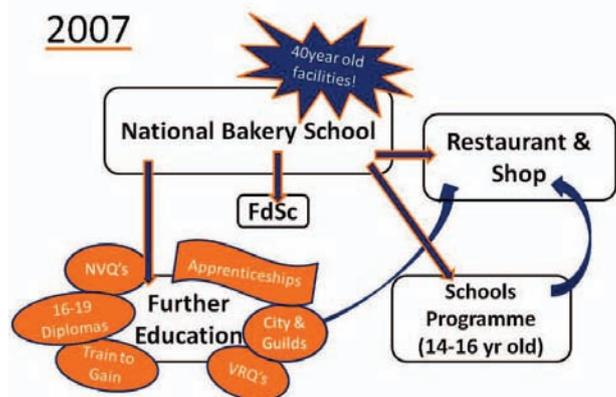
Challenges We've had quite a few challenges at the National Bakery School recently. The NBS was founded in 1894, with the support of the National Association of Master Bakers. I know we have the NAMB Chief Executive Gill Brooks-Lonican in the audience, so thank you! In 1969 we moved to our current accommodation – and the fact that it is still our current accommodation is a problem! In 2007 we had a big leap forward in higher education terms, our "paradigm shift", when we validated the Foundation Degree in Baking & Technology Management. Foundation degrees were created by the Government as part of giving a wider access to higher education and to start looking at how higher education could play a part in some industries and in some areas, where traditionally access to higher education had been difficult. A typical example was in engineering, where many practitioners hadn't stayed on at school to do "A" levels and therefore did not have access to higher education courses. Foundation degrees are a way of giving less qualified people the opportunity to do engineering and other degrees. At the National Bakery School we felt this approach really resonated with baking and baking technology management, and so the Foundation Degree in Baking Technology Management was created in 2007.

Major Strategy Review and Action In 2009 we had a major strategy review covering our plans for the following 2-3 years. In 2010 we validated our Bachelor of Science degree, which is a year on top up to the Foundation Degree course, giving a full 3 year programme resulting in a BSc (Hons) award. As part of our major

strategy review we withdrew from delivering further education bakery courses at the NBS in 2012 and only retained the degree level courses. For those of you who aren't in the education market, it is a complicated area. Louise alluded to some of the complications in her presentation, particularly in vocational areas where different parties play many different roles. By and large, higher, or tertiary education, is university level; and further education is college level. The reason I'm not saying, '16 – 18 year olds' is because I don't believe in age restrictions for our courses. People may come into the baking industry at various ages and at different times in their lives. We have one student at the National Bakery School in her 50s who sells cakes for £150 a time out of her kitchen and is running a very nice little business!

As said previously, our withdrawal from further education was a result of the strategy review, which led us to focus on higher education. We are now launching our National Bakery School Development Project, which will transform the School into what we hope will be a real showcase for the industry. A place where there can be some thought-leadership for the whole industry, where people can come to share best practice, and try out ideas with colleagues, all along the supply chain and in a neutral environment. This is something universities can offer and has been well known in science, pharmaceuticals and other areas for many years. It is not sponsored by one particular bit of the industry chain, or has a particular agenda. The National Bakery School Development Project can become a place where there can be a push forward across the industry in innovation, practice and research. I don't mean pure blue sky research; I'm talking about applied research, which can be around new product development; around management in bakery; around industry developments generally – the projects can be tailored to your specific requirements.

Why Change? Why did we need a strategy review? Let's look at what was going on at the NBS in 2007. We had a Schools programme that involved 14 – 16 year old pupils from local schools in Lambeth and Southwark attending the National Bakery School for one day a week on day release. They helped in the restaurant



and the shop and were doing quasi hospitality, quasi-health and safety, some bakery - it was all a bit of a mish-mash to be honest. Head teachers had funds available that enabled them to send the pupils to the NBS, particularly pupils who didn't quite fit into their GCSE standard programmes. It was a fantastic arrangement initially for them and us but two things happened. 1) the schools, which are in quite deprived areas of London, started to send pupils who were giving them problems in class and 2) the schools started to lose their funding and needed to keep the pupils in their schools to optimise pupil numbers and therefore their budgets. Providing education programmes for 14 – 16 year olds outside a school/college environment is quite expensive, so the last couple of years of the programme were not really successful.

Restaurant & Bakery Shop Turning to the restaurant and the shop we have for university staff, students and guests. Can you imagine a restaurant and shop on the fifth floor of a concrete block, with the only access being a 15 minute walk through car parks and corridors, with security passes being needed to get through three

of the doors on the way? Passing footfall – zero! When the restaurant first opened it was terrific because around Elephant & Castle there was nowhere else to eat. Now we are within a 10 minute walk of South Bank and London Bridge, where there are dozens of restaurants. Simultaneously our new Vice Chancellor rightly decided that, as a public sector organisation, we shouldn't be spending tax payers' money on retirement events; and on entertaining people to silver service lunches (where the 16 year olds were practicing their skills). The restaurant went from covering its costs and earning money, to being a massive drain on resources and not even beginning to cover its costs, in fact being a huge loss. Universities, like businesses, can't sustain loss making things for very long.

Financial and Other Aspects We validated the Foundation Degree, in 2007 but at that time 95% of our bakery education income was coming from Further Education – the wide range of bakery courses we traditionally offered. The NBS is located in 40 year old facilities, which will need to be addressed. We are very lucky with the facilities however, having fantastic ovens, which were donated to us, and a good range of bakery equipment. Things change, equipment changes, the way you teach changes and what and how you are teaching changes, so these also had to be addressed. Further education for bakery became a real mess. City & Guilds qualifications came, went, came, then went again, and might be coming back! There were VRQs and NVQs of different levels. We had the 14 – 19 Diploma, for learners between the ages of 14 and 19 - this came and went so fast I don't know if anyone remembers it? Train to Gain came and went, as discussed in Louise's presentation. Many other funding ideas and agencies came and went, and at the same time, most of these funding bodies were shifting the funding for Further Education to colleges rather than Universities. By the time we decided to move away from further education our grant had gone down from its peak of about £350,000, to £26,000. You can't teach many people much with £26,000. Not only that, having 30 to 40 further education students in a university of 25,000 higher education students; meant that they were not getting the specialised support they needed. We needed to have to have Ofsted inspections and police checks on all the staff for example.

Radical Approach It became evident that we needed to be very radical and use a blank sheet of paper to have a rethink on what we were doing. Our strategy review started with the question: 'what are we here for and where can the National Bakery School really add value?' Lots of colleges teach Level 2 cake decoration throughout England. As the National Bakery School, do we really need to teach Level 2 cake decoration as a separate qualification? Is that really adding value? We are the National Bakery School, the only place that offers degree level bakery courses, with a University committed to Higher Education provision related specifically to baking technology, not food engineering, not food science, but baking technology. We decided to take advantage of this and create something a little different. So here we are, we have the Foundation Degree, which we've mentioned, and the BSc in Bakery Technology Management



The Way Forward So what is the way forward? Well first of all we have 50 new students taking the Foundation Degree in Baking Technology Management this year. When we validated it in 2007 we had 17 and last year 29. This, in higher education terms, represents massive growth! We also have an international appeal, with several foreign students on the course.

What new developments will there be in the future? We would like to start running bespoke professional development programmes, in conjunction with industry partners. For example, some of the bakery owners or managers here today could get together with NBS and say, 'we want a week's training on a specific subject but we don't have the time, or the numbers to run it in-house, we're busy, can you take our staff to London for a summer school?' We could tour around different venues, get in some guest speakers and run a great programme. This is something we should be doing. We are already working with some Japanese friends who would like to send over 30 bakers for 2 weeks in London, and they'd love to meet and be introduced to people in the industry here. This is where we can add value.

We still want to work with the more junior skills level. We are already working with Westminster Kingsway, a great College, well known teaching hospitality and catering; they're using one of our bakeries for some of their adult learners. We want to work with the Skills Academy, and with Louise, we are really trying to think about curriculum development and adding value there. This is around consulting, helping and facilitating many providers to be able to deliver quality further education bakery courses without directly doing it ourselves.

Industry links We need to do far more in the area of industry links. We have been too inward looking for too long, and too 'as is' for too long, we need to be more closely in touch with industry. One initiative is a mentoring programme we have started with the Worshipful Company of Bakers. I'm a Liveryman, as is John. Our BSc students will each have a mentor Liveryman. We're lacking one or two mentors, so if anybody wants to volunteer we would be delighted to have you. All it entails is taking one of these students for coffee three times a year, and they work shadow mentors for one day. It is a way to help our students with connections in the industry, professional advice and guidance, as well as linking with industry. We are looking at the possibility of developing a Masters Degree in Bakery Technology Management. Many of our students go on to do Masters in Food Science; our alumni and our graduates are highly employable, so I know that we are tapping into something which is very good.

What are the further challenges we face? The current educational landscape I've talked about is in turmoil in England right now. Everything is in the air. In Secondary schools we are



now hearing about a "Technology Baccalaureate", which the Labour Government talked about today at their Conference, and we've now got the EBacc. "A" levels are changing yet again and NVQs are also unstable. Apprenticeships

are great in theory but if you ask 80 people in the audience what an apprenticeship is, you'll probably get 75 different answers. Some people think it's a kind of Dickensian thing, which you start when you're 13, being sent up a chimney! To some people it is a year's training and to others it is an umbrella under which if you do 6 training days you get to be called 'an apprentice'. I'm totally in favour of apprenticeships but I'm just not sure there is consensus as to what they are. The industry needs to do some work to start define apprenticeships. It should not simply be a way to access government funding for staff training. All responsible employers should be investing in developing their staff.

Another challenge is the complexity of our industry and the newness of our Higher Education specific provision. There are



many very different kinds of bakeries, with polarisation, particularly in plant bakery versus artisan. I do hear this tension at times amongst students and industry players. For example "that's artisan, so it is not relevant to me" or

"that's just about plant process stuff, I'm not interested, I'm into Flour Power at Borough Market." I think there is room for all types of bakeries and production methods at the NBS, as there is in the industry. I am not suggesting every baker has to have a degree, far from it, but surely an industry as large, successful and important as the baking industry can absorb 40 or 50 graduates a year with a baking technology degree! When I first went to university around 30 years ago to train as an accountant, Accountancy wasn't a degree course. For most accountants today, a degree is considered essential.

We have heard in other presentations today baking described as a trade, as a craft and as a profession - it is all of the above. The National Bakery School is not an old fashioned 'trade school', only emphasising manual skill and craft, baking is a profession for us. Our degree courses contain craft and trade elements but they are not designed to turn out a particular type of craftsperson. After graduating our students go on to work in artisan, craft bakeries, plant bakeries, or to work with flour millers, ingredient and equipment suppliers. Some will do something else altogether, just like every other vocational degree. For more information on NBS degree courses go to the website address, www.lsbu.ac.uk/nbs/ and click on Full Time Courses.

The polarisation of views within the industry can be a challenge but what we have to try and achieve is a place where all the different strands of this industry can come together, put their



Bank of Hobart planetary mixers



Inframatic 8620 wheat quality testing equipment



Barbender flour testing equipment

differences at the door and start building some interesting, purposeful and useful educational aspirations for our industry. So that's where we are at the National Bakery School. I hope to be able to talk to many of you over time about our Development Programme.

One of the big challenges I didn't put on the slides was funding. To redevelop the NBS is going to cost a lot, and the taxpayer isn't going to pay for it, so it has got to be supported by the industry and intensive fundraising. We are going to be launching a formal Development Plan and Development Project. We have a couple of big donors, we hope, lined up, which would kick-start the process for us. So if anybody fancies having an NBS teaching area named after them, such as 'The Village Bakery Sponsored Lab', at London South Bank University, we'd be absolutely delighted to talk to you about it.

Thank you so much for inviting me and thank you Mike and the organisers of the Conference - it's been a fantastic learning day for me.

Mike Bagshaw Thank you Jane, excellent presentation, and we've got time for some questions.

Question: Robin Jones You say you've got 50 people lined up, out of those 50 how many are intending on staying in the UK, and how many are coming from abroad for that course?

Jane Houzer Of the 50 first year Foundation students we have this year in the classroom, 5 international, 45 UK. Now for the definition of 'UK'. This is an education definition; many are from other countries who have settled in the UK, who are first generation British. What is interesting for us is they bring quite a few different traditions of baking, which really enriches the experience for all the students. We currently have students from Japan, US, Poland, France and Russia.

Question: Jean Grieves Very interesting paper, many questions I'd like to ask you, but just one, you've never mentioned anything at all about the training, on training experience for these students who are on this Programme, and I've always found that it's absolutely a key element of the number of full time students I have met who've never ever worked in a bakery. I wondered if you'd want to expand on that please.

Jane Houzer I would. Actually, this is what we are trying to do, and this is part of the industry links we were talking about. We don't just have this problem in bakery by the way, the Bakery Degree. I have this problem in all the professional degrees, in HR, in business, in engineering, where the number of people that want work experience exceeds the work experiences available. There's a supply and demand issue. So what I need to do, what we need to do, is to equip our students to be able to compete effectively for those opportunities. We are reaching out to as many people as we can to talk about internships, which ideally would be in the summers, usually between years 1 and 2 and then between years

2 and 3, so at least by the time they've finished their degree they'd have had two good 8 week chunks, or 1 day a week is also possible, even through term time, because of the way we schedule classes, you could probably squeeze it in.

Another problem we have, not just with baking but generally, is the unpaid internships. My students at London South Bank University, many of whom are from the area, can't afford it, they literally can't afford it. I had one, there was an internship available, it was unpaid, and she couldn't afford the public transport fare to get her to the internship. It would have been an extra £8 - £10 a week. She was getting no fares, no lunch money, nothing. I think completely unpaid internships are really awful personally. Unpaid Work experience for a couple of weeks is fine, but anything more than that I feel uncomfortable with. However, I tell my students that if it is on offer and they can at all afford, it is better than not doing it. Sad as that is, that is the real world we're operating in. I'm hoping the mentoring will really help, that it will start getting people introduced to each other. We also need to include the supply chain, millers, some of the ingredient companies, as well as plant and artisan bakers where they could take students for a summer internship. It can be minimum wage; it can be lunch and transport money. But it has been hard to find these opportunities Jean. From an employability perspective it is absolutely critical that they get the work experience.

Question: Sarah Priestley I'm a former student of the National Bakery School. It's really positive what you're doing linking with business, but one thing I would say is you need more than 1 day's work shadowing, it needs to be at least a week, because you can't learn in 1 day.

Jane Houzer The mentoring programme, to be fair to the Liverymen, is an experiment. It is called, 'light touch mentoring', which is kind of a standard for mentoring, it's a specific type of programme. This isn't the only mentoring programme we have; we have some which are much more intense and much more structured. This one aims to bring these two groups together. We have many Livery mentors that are not bakers, I've got a High Court Judge and he's going to work shadow his students in the Old Bailey. The point about it is really that for some our students just to have that exposure to a professional environment, whether it's a bakery or whether it's a High Court, it's very valuable. It's not about the technical knowledge, it's just to get a little bit of a flavour of a work environment, have a wise friend, and a bit of professional help.

Sarah Priestley Can I just add that I joined the BSB to meet industry professionals. With the BSc Degree students I feel it would be a good idea if you encourage them to join the BSB. We have student rates and they'd gain a lot from coming to a conference like this.

Jane Houzer Absolutely. Well we'll certainly invite the BSB to come and talk to our Foundation students and tell them all about it, because it comes better from you than it does from me. I'm perfectly happy for the BSB to come in and talk to the last year students and say, 'this is the Society, these are the benefits, these are the student rates.' Professional bodies are something that we link in with for all the industries we connect with.

Question: Louise Codling Really interested in how we can help in managing progression, so when they've been through the college route whether there's a natural progression to come on to the Programme, and how we can help support that activity, and make sure that students everywhere are aware of the Programme, that there is somewhere for them to go, both professionally and academically. I think that's probably quite an important thing we could maybe work together on.

Jane Houzer I agree. The beauty of a Foundation Degree is that you can have your 3 A 'levels as a way in, but there are many other ways-in to the course. That is why we chose that route rather than a standard 3 year BSc degree course, because that would have specific qualifications criteria for entry. For those of you that have got kids going to university you will have sweated over UCAS entry tariffs - it would have necessitated at least 2 A 'levels, if not 3, and baking doesn't work like that as we all know. Some people have A 'levels and come in that route, but others may have other suitable qualifications, plus previous industrial experience.

Mike Bagshaw Jane thank you so much, there's clearly lots to talk about here, lots of ideas, which is what it's all about, so thank you again. (Applause)

NB If you would like more information on a) organising a training or other event for your company at the NBS, b) mentoring one the bakery degree students, or c) getting more information on the NBS Development Plan, please contact: Jane Houzer, Dean of the Faculty of Business, on jane.houzer@lsbu.ac.uk, or John Marchant, Head of the National Bakery School, on marchajs@lsbu.ac.uk

Sara Autton, BSB Chairman Thank you Jane and thank you Mike for your able Chairmanship this afternoon. Just a few words please if you don't mind before you disappear. I've got lots of thanks but I'll try and make them really brief. First of all thank you very much to all of you for coming today, these Conferences wouldn't be half as much without you, though they might be a bit less daunting for our speakers if they were speaking to a roomful of empty chairs, so thank you all very much for coming, it's been wonderful having you all here. Thanks to the guests of the Members of the Society. If you're not a Member please speak to me, or Jim, or go on the website and become a Member, you're all very valuable to us. I want to say a special thanks, unfortunately she's disappeared because she's got another meeting, to Gill Brooks-Lonican who was here earlier, the CEO of the National Association of Master Bakers who will be retiring soon. Also, for those who weren't here yesterday, thanks to David Roberts for being here, a former Chairman of the Society, and also to Neil Jackson, it's lovely to see you both here this time round.

Thanks especially also to all our speakers today, I think you'll agree they provided us with some very interesting, insightful, and entertaining papers. Having been up here as a speaker myself I can appreciate the time, the effort and the nerves that go into preparing a paper for this august Company, so thank you very much to all of you for all of that.

A big round of applause please for Jim Brown our Treasurer, and Conference Coordinator and for Sharon Byrne our Secretary, for all of the hard work they put in to make these Conferences run so smoothly, and also for the rest of the Committee. I'm indebted to you all for your painstaking commitment to this huge task.

My personal thanks please to Keith for making my transition from Vice Chair to the hot seat so painless, and for promising to carry on his role as the co-ordinator of the golf day, which I'm very grateful for, the next one is 3rd of June 2013, so in your diaries please, and for not forcing me to take up the game, I really appreciate that, although I will come to the dinner. I hope you've all found this Conference very interesting and worthwhile, if you have please tell your friends and get them to come to the next one, if not please tell us via your feedback forms. Please fill those in and give them back they're very valuable to us.

Finally may I wish you all a very safe journey home and hope we'll see you at our 2013 Spring Conference on the April 9th and 10th 2013 at Leicester College. More details will become available on the website in due course, and through our Newsletter. So thank you all very much indeed and good afternoon to you.

SOME CONFERENCE PHOTOGRAPHS



NA President Chris Freeman, with his Excellent Baker's Marque bread



John Marchant, Head of the National Bakery School, with speaker Jane Houzer, Executive Dean, Faculty of Business, London South Bank University



From left: Rich Product's David Hunt, Paul Edwards, Ian Elliott and Shari Rife, with Shari's mum Dot, who was a welcome visitor to the conference



From left: BSB Vice Chairman Mike Bagshaw and Martyn Leek, Editor, British Baker

SOME CONFERENCE PHOTOGRAPHS



ABST President David Goddard and his wife Claire



NAMB Chief Executive Gill Lonican with her husband Peter



Henry Jeffries and Karen Taylor, National Bakery Training



From Left: Tim Wild, Gordon Polson, David Roberts and Neil Jackson



From left: Jim Brown, Mike Bagshaw, Mark Young, Ivor McKane and Nick Harris



Speaker Robin Jones with Sylvia Macdonald



Robin Jones showing his passion for baking



BSB Chairman Sara Autton opens the conference

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 Freeman Christopher
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 Fuller George
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