

Committee(s): Policy, Resources & Economic Development	Date: 30 th September 2021
Subject: Social & Commercial Opportunity	Wards Affected: All
Report of: Steve Summers – Strategic Director	Public
Report Author/s: Name: Jacqueline Van Mellaerts – Corporate Director (Finance & Resources) & Section 151 Officer E-mail: jacqueline.vanmellaerts@brentwood.gov.uk	For Decision Exempt Appendix

Summary

Following an approach from Grove School to request assistance in securing a commercial premise from which their students can gain work experience, to improve skills and resilience, as they come towards the end of their student careers. A proposal has been prepared that requests the Council to make a capital investment to deliver the social aspirations and requires member approval.

Recommendation(s)

Members are asked to:

R1. To approve to purchase of a vehicle within the Councils Capital Programme 2021/22, to pursue the Business case attached in Appendix A.

R2. To delegate authority to the Corporate Director of (Finance and Resources) and S151 officer and the Corporate Director (Law and Governance) and Monitoring Officer in consultation with the chair of PRED to enter into the legal agreements required.

Main Report

Introduction and Background

1. The council is continually looking for opportunities to generate additional income, this proposal, whilst commercial in nature also carries with it a high degree of social impact.

2. Grove School Brentwood is part of the Seax Trust which has 5 Academies across Essex. The Seax trust offer specialist provision to students with speech, language, and communication needs.
3. Employment rates for adults with special needs can be as low as 6%. The Seax Trust are seeking opportunities for the students to gain commercial skills and experience so that when they transition from student life to adult life, they stand a stronger chance of securing employment. It was on this basis they approached the council earlier this year following our acquisition of the Baytree Centre.
4. A NAO report in September 2019 highlighted the poor outcomes for young people with learning difficulties and special needs. Whilst the employment rate of just 6% is shocking, what is less well known is the damaging impact on physical and mental health of young adults who are isolated and cut off from their communities.
5. From a public purse perspective, we know that such people who find themselves at this disadvantage will find themselves requiring income support and potentially assistance from health and care providers.
6. Brentwood Borough Council sees itself as being able to assist and having a responsibility towards the community, to deliver solutions that can have a wider reaching social impact.
7. Following initial discussions with Grove School it was deemed that a unit within the Baytree centre would not be suitable based on the level of investment required to make it a suitable environment for students to retail from but also that the unit could only be offered to the school at a significantly less than best rental and therefore be unable to realise its potential for full commercial income.
8. As a result, it was proposed to the school that students could potential gain customer facing and retail experience from a mobile retail unit such as a Coffee Truck. This suggestion was well received by the school as dialogue has continued with them on this basis.
9. The Council has set within its budget a commercial income objective of £1.6m p.a over the next 3 years. We have also earmarked with the budget a fund of £100k for asset investment to support our commercial income aspirations.
10. Furthermore, in March 2020 a budget amendment by the labour group, was proposed and adopted that would allow for an area outside of the Town Hall to be earmarked as a pitch from which income could be generated from a business such as a coffee vendor. Given the underutilisation of the Town Hall

space over the last 18 months, this proposal has understandably not yet been realised.

Issue, Options and Analysis of Options

Business case

11. A detail business case has been prepared that shows the Council purchasing a Coffee Truck vehicle which would be operated by a third party to pursue the social aspirations. 3 potential outcomes based on forecasted sales of food and beverages have been modelled. Whilst the business case reflects various scenarios, two of the outcomes demonstrate a potential return to a third party operator, which is the preferred model, showing the proposal is sustainable. The estimates and assumptions used are considered to be conservative. See Appendix A (Exempt)
12. The Coffee Truck would be located at the front of the Town Hall from which the council would earn an annual pitch fee of approximately £5k and fund the financing costs of the vehicle investment.
13. As the numbers of staff at the Town Hall steadily increases it is envisaged staff and visitors will find this a convenient location for coffee and food. It is also noted that footfall passed the town hall on the Ingrave Road is generally strong particularly at peak hours for students.
14. The portability of a Coffee Truck also means the vehicle can be taken to community events where high footfall would be expected such as Strawberry Fayre, Business Showcase, lighting up, family fun days etc.
15. The Coffee Truck would have one supervisor that would possess the skills both the work with the students in addressing their needs but also give them the confidence to be proficient in the function of effectively running a small business. We presently engaging with the school and established community and support groups to secure that person.

Marketing

16. **Product** – Is first and foremost about quality Food & Beverage products that people will want to buy. Whilst the venture is primarily a social impact venture it should be able to stand on its own two feet and be competitive. It will not be promoted directly as a social impact venture.

17. We are currently working with a Coffee Supplier that is respected in the industry both in terms of product supply and training.
18. Other products such as baked goods, will be sourced from local suppliers wherever possible.
19. **Price** – Is to be competitive and broadly in line with current pricing from other coffee houses in the locality.
20. **Promotion** – The vehicle itself is to be an attraction, something from which people will want to buy coffee etc. The association with the school and trust are also potential avenues for promotion and awareness.
21. **Place** – Primarily a Town Hall location but the advantages of portability will mean we can capitalise on event placements for the Coffee Truck.

Skills

22. The proposal necessitates a throughput of students from the Grove School whereby they can gain new skills and grow in confidence. Whilst primarily a customer facing function, in order to run a coffee truck successfully other necessary functions will include:
 - Ordering and Supply Chain
 - Stocking
 - Accounting for sales
 - Cash Handling
 - Customer service skills
 - Sales & marketing
 - Food hygiene standards
 - Food preparation and barista skills
23. There are initial talks underway as to how classroom resource at Grove School will also be used to underpin the hands-on experience with classroom-based time around some of the business management aspects such as, cash, accounting, ordering, customer handling skills etc.
24. It is also envisaged that the school students and facilities could also play a role in some produce supply, this is to be explored further.

Social impact

25. The desired outcome is employability for students as they leave the school.

Approaching a potential employer with both skills and work experience will put students in a much stronger position to secure gainful employment.

26. Unemployment has a direct impact on both the economy and welfare state through lost income and the inevitable financial support required from across a range of sectors. Jobseeker's Allowance (JSA) and Employment Support Allowance (ESA) are obvious sources of financial support but there will be other less visible costs associated with supporting those who are unable to gain employment.

27. An intervention model such as this looks to alleviate poor outcomes for students which can be manifested in both physical and mental health conditions.

Reasons for Recommendation

28. To create an opportunity within the borough that meets a social need as well as a commercial return.

Consultation

29. None

References to Corporate Strategy

30. This project helps sustain and develop the role of the community support network beyond COVID-19

Implications

Financial Implications

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31. A business case has been undertaken to ensure the proposal is financially sustainable for the Council as well as a possible third-party operator which is the preferred model. Sensitivity analysis has also been carried out. Although this is not planned expenditure for 2021/22 it is expected that the purchase of

the truck can be funded from the current capital programme - Vehicle Fleet Management.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and Monitoring Officer

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32. The Council has numerous powers that enable it to enter into leases and contracts for services. Legal advice will be taken prior to entering into any contractual or lease or licence agreement should the decision be to purchase the coffee van.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning & Economy)

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33. The recommendation contributes to the Council's corporate strategy priority to grow the economy by meeting the objective to encourage the creation of new enterprises and inward investment. This particular proposal also aims to improve employability and provide valuable skills for students who might otherwise have difficulties in contributing to the economy by way of employment.

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Other Implications (where significant) – i.e. Health and Safety, Asset Management, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

35. None

Background Papers

36. None

Appendices to this report

37. Appendix A: Business Case – Coffee Truck

