

**REPORT TO:** Employment, Learning & Skills and Community Policy & Performance Board

**DATE:** 23<sup>rd</sup> March 2015

**REPORTING OFFICER:** Strategic Director, Communities

**PORTFOLIO:** Health and Wellbeing

**SUBJECT:** Community Shop

**WARD(S)** Borough-wide

## **1.0 PURPOSE OF THE REPORT**

To advise members of the Community Shop concept and to propose the exploration of the potential establishment of a Community Shop in Halton.

## **2.0 RECOMMENDED: That:**

- 1) Members receive and comment upon the report,**
- 2) Members endorse that further exploration be undertaken into the potential for a Community Shop to be established in Halton, and;**
- 3) A further report be presented to update Members of the Board on progress in this matter.**

## **3.0 SUPPORTING INFORMATION**

3.1 Community Shop is a Community Interest Company subsidiary of its parent company; Company Shop Ltd. Company Shop has been established for over 40 years, growing from a wholesale business supplying institutional outlets, to become the UK's largest commercial redistributor of surplus food and products. It handles over 30,000 tonnes of surplus food product annually, providing retailers and manufacturers with a zero-to-landfill solution, where over 95% of food handled gets eaten. With a proud heritage and longstanding expertise in the execution and delivery of redistributing surplus goods, Company Shop is well placed to bring Community Shops to the UK in a sustainable and successful way.

3.2 In essence, Community Shop is a supermarket that has targeted membership to tackle food poverty. The model provides 15 jobs; 12 retail jobs, 2 mentors and 1 cook. There are wider opportunities to support employment through skills development and linkages to the wider retail sector through food partner relationships.

## **4.0 COMMUNITY SHOP CONCEPT**

- 4.1 Delivering surplus food for social good is the overall ethos of Community Shop.
- 4.2 Community Shop seeks to provide a sustainable service that empowers people with limited financial resources to spend on food. It complements the services provided by 'Food Banks' and will help ensure that quality branded food is available at vastly reduced prices so that it can reach people who may need a helping hand to achieve financial independence.
- 4.3 By redistributing surpluses that exist in the food supply chain, Community Shop, with the support of its parent company; Company Shop, help people on the cusp of food poverty gain access to good, wholesome food at up to 70% less than normal retail prices. Key partners within the supply chain include, but not are not limited to, M&S, Tesco, Ocado, Morrisons and Waitrose.
- 4.4 Surplus foods can be caused by a whole host of reasons, from seasonal forecasting issues and labelling errors to a short shelf-life and other things. Importantly though, unless they are redistributed, these surpluses would end up in landfill. Community Shop steps in to prevent that from happening, ensuring that perfectly edible products are consumed by people who need them. The money made from sales is then invested into their stores and the support services offered.
- 4.5 Similar models are already working well in Europe in the form of 'Social Supermarkets', and Community Shop is bringing this concept to the UK. Community Shop's first 'members only' store in Goldthorpe, Barnsley, was the pilot and has been used to test the model before a national roll-out which is currently underway. Attached as [Appendix 1](#) is an Impact Assessment document which highlights the Key Outputs and Outcomes from the Goldthorpe Community Shop.
- 4.6 Not only will Community Shop offer a range of products at significantly reduced prices, but it will also provide an interactive programme of wider support available free of charge in the Community Hub (see section 6 below), from budgeting and debt advice to cookery classes.
- 4.7 Other food retailers should have no concerns that their potential custom/income is threatened by a Community Shop as Members of the scheme would not initially have the means to purchase food at normal retail prices. Through providing access to wholesome food at cheap prices, (alcohol and tobacco are not stocked), as well as access to extended services via its Community Hub, Community Shop will help Members on the road back to becoming main stream consumers, thereby benefitting other local retail outlets in the longer term.

## **5.0 COMMUNITY SHOP MODEL**

- 5.1 Community Shop will have a targeted membership of between 500 and 750 households at any one time and individual membership is for around six months only. This is to maximise the impact that can be achieved for members through a tailored support programme and to encourage people to move to education and employability. Membership would be targeted and rotated across Halton's deprived communities to ensure a spread of on-going accessibility opportunity to the Community Shop for eligible individuals across the Borough.
- 5.2 Membership is typically restricted to those on a means tested benefit, directed to residents living within agreed geographical areas. The geographical target can be negotiated in developing the project considering what is appropriate for the locality it would serve.
- 5.3 Access to shops is controlled by Photo ID/Loyalty Card which limits the number of same type items that can be purchased at any one time and through Point of Sale software can monitor individual profiled spending patterns to ensure no abuse of the membership is undertaken.
- 5.4 Partnership involvement is pivotal to the initiative. Joint working with partners, such as DWP, CCG's, Public Health, Local Authority and CAB's, will enhance the initiative offer and its potential impacts.

## **6.0 COMMUNITY HUB**

- 6.1 The Community Hub is Community Shop's in house extended service for members. As well as getting access to cheaper food, through the Community Hub, members will be enrolled on a programme of wider support and be provided a range of free programmes from CV writing skills to budgeting and debt advice, cookery classes to employability and skills training.
- 6.2 Offering interactive group programmes daily to a pre-defined programme, as well as one-to-one programmes where required, Community Hub Mentors will work closely with members to help them on the road back to becoming main stream consumers. The Mentor offer is to all adults of the household not solely those who attend the supermarket for the shopping.
- 6.3 In addition to these extended services, The Hub will also serve a two-course lunch every day from 11am - 2pm, providing access to a low price home cooked warm meal each day. When the cookery classes are running "ingredient parcels" are provided that can be bought in-store to cook. Community Hub mentors will be in attendance at all cookery class sessions in a support capacity to the teaching staff and members. Menus and information on cooking and accessing ingredients will be made available every day, along with cookery classes taking place two days a week.

## 7.0 SUMMARY

### 7.1 Under one roof a Community Shop:

- Delivers a sustainable solution tackling the issue of food poverty
- Targets those in the most deprived neighbourhoods
- Reduces the amount of food waste going to landfill
- Creates employment and training opportunities
- Reduces dependence on food bank hand outs
- Provides financial and debt advice
- Offers two-course low cost lunch
- Facilitates one to one contact with trained mentors
- Encourages members to become mainstream consumers

7.2 The size of premises required is approximately 4,000 square feet. Community Shop would secure premises, fit out, recruit and train staff, meet all operational costs and operate the service in line with the model as described.

7.3 The financial commitment required is a one off Capital cost of approximately £125,000 to 'fit out' the premises. This commitment has so far been met in other parts of the country by Key Partners including Local Authorities and CCG's. The Community Shop receives financial support from Company Shop Ltd under Corporate Social Responsibility. As Community Shops are operated on a commercial basis, on-going revenue costs are met through store income meaning that it is a self-sustaining operation.

7.4 The Community Shop concept has been discussed with the Halton CCG's Director of Transformation, who is fully supportive of the exploration of a Community Shop in Halton and has indicated that funding may be available from the CCG to support the delivery of such a project.

7.5 The exact location of any proposed Shop within Halton has not been identified. A High Street retail location is not essential but any location would need to be accessible by the target customer base either on foot or good public transport network.

7.6 Consideration for a potential Community Shop in Halton began with the Big Local initiative in Windmill Hill in Autumn 2014. Halton's Business Connector introduced the concept to the Big Local Partnership Board which was keen to explore the matter further. However, Windmill Hill only has 981 dwellings and it became apparent that due to the scale of its operation, Community Shop has the potential to serve a much broader area. Given the initiative's origins, it would be intended to target Windmill Hill residents for initial membership of Community Shop. Moving forward, a rolling programme of targeted membership from other areas of the borough would be developed. The Windmill Hill Big Local Partnership is enthused to be part of the initiative development and is willing to allocate some capital investment. Windmill Hill has strategic objectives around accessible transport and, if the scheme is successful, this is likely to be an element the Partnership would also focus on to support their residents accessing the Community Shop.

## **8.0 POLICY IMPLICATIONS**

8.1 There are no new policy implications as a result of this report.

## **9.0 OTHER/FINANCIAL IMPLICATIONS**

9.1 There are no revenue implications arising from this initiative as all initial and on-going operating costs will be met by Community Shop.

9.2 As set out in the report, a one-off capital investment of approximately £125k is required to deliver the project. There will likely be no capital costs incurred by the Council however as it is anticipated that this investment could be met from European Funding, with contributions from Big Local funding and the CCG also potentially available.

## **10.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **10.1 Children and Young People in Halton**

The initiative is targeted at households in need of support, children & young people would benefit by virtue of the targeted approach.

### **10.2 Employment, Learning & Skills in Halton**

The model provides direct employment opportunities for 15 members of staff. There would be opportunities to support linkages to further employment across the retail and logistics partners linking into Halton Employment Partnership (HEP). The mentoring programme focusses on skills development and employability.

### **10.3 A Healthy Halton**

Access to low cost food provision, including fresh produce, will improve the quality of food intake. The mentoring programme that goes alongside the shopping offer will increase knowledge and practice of healthy eating for the scheme participants and their households.

### **10.4 A Safer Halton**

A sense of community and community connectedness reduces residents' fears of crime where they live. They are likely to feel a stronger sense of belonging and safety in an environment where the communities know each other, are active and there are established links to other stakeholders like police, housing, community wardens, etc. Community Shop can engender this approach in the Community Hub.

## 10.5 **Halton's Urban Renewal**

A Community Shop would be an asset within the Borough and provide a targeted retail offer. A location is yet to be determined, but will be identified through exploration and further understanding of the Shop's impact.

## 11.0 **RISK ANALYSIS**

11.1 None identified at this stage.

## 11.0 **EQUALITY & DIVERSITY ISSUES**

11.1 This initiative targets the most financially disadvantaged residents in Halton's Community. Poverty and inequality are often elements of a complex set of circumstances which present exclusion. This initiative aims to tackle poverty and generate improved life chances for disadvantaged members of our local community.

## 12.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

There are no background papers under the meaning of the Act.