

THE EPSOM AND EWELL PANTRY

Head of Service: Mark Shephard, Head of Property & Regeneration & Rod Brown, Head of Housing & Community

Wards affected: (All Wards);

Urgent Decision?(yes/no) No

If yes, reason urgent decision required:

Appendices (attached): Appendix 1: Foodbank Business Plan.

Summary

The report proposes the use of the Council owned ground floor commercial unit at 24 South Street, Epsom for piloting the Epsom and Ewell Pantry.

The report also provides an overview of the 'Your Local Pantry' model, and sets out the business case for delivery in the borough.

Recommendation (s)

The Committee is asked to:

- (1) Agree to a 3 year commercial lease for the ground floor unit at 24 South Street to be utilised as a Food Pantry as set out in section 3 of this report.
- (2) Authorise the Head of Property and Chief Legal Officer to agree terms and complete the Pantry lease.

1 Reason for Recommendation

- 1.1 The proposed ground floor letting reflects commercial lease terms and offers a complimentary use to the upper floors.
- 1.2 The letting offers the Council the potential to receive the market rent earlier than would be anticipated under a marketing campaign. This is because the period to market the premises (typically 9-12 months) would not be required.

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2 Background

- 2.1 At its meeting held on 30 March 2021, Strategy and Resources Committee considered the refurbishment of 24 South Street.
- 2.2 The Committee agreed to:
 - The refurbishment of the upper floors to provide two, 1 bed flats located on the first and second floors. These flats will be occupied by people experiencing homelessness, providing temporary, move-on accommodation.
 - For the refurbishment of the ground floor commercial unit to be retained and let out at market rent by the Council.
- 2.3 The refurbishment of 24 South Street is underway and due to be completed by November 2021.

3 Proposal

- 3.1 Once the works are complete, Committee is asked to consider leasing the ground floor commercial unit to a known tenant.
- 3.2 A market rent would be payable after the first year and a 3 year commercial lease structured on the following basis:
 - Initial 9 month rent free period (in line with the local commercial lettings market).
 - 50% of the full market rent for the subsequent 3 months (equivalent to £1,500).
 - Market rent payable for subsequent 2 years.
 - Tenant option to terminate the lease after 12 months
- 3.3 A 3 year commercial lease on the terms outlined above is potentially advantageous to the Council. The use is complementary to the upper floors and removes the need for a marketing campaign. Marketing could typically require 9 – 12 months followed by a rent free period of 6 - 9 months for a new tenant.
- 3.4 In the absence of a suitable commercial tenant approaching the Council, the ground floor unit would be externally marketed.
- 3.5 The proposed tenant has operated the Epsom & Ewell Foodbank since 2012 and offers the Council a demonstrable track record. The financial implications are set out in 6.1.

4 Social Impact of Tenant

- 4.1 It is recognised that the proposed commercial tenant has not been identified through a usual marketing campaign. For this reason, it is considered important to set out the track record and social impact of the proposed tenant.
- 4.2 The Epsom and Ewell Foodbank was established in 2012 as part of the Ewell Christian Fellowship Trust and is a social franchise for the Trussell Trust. It was established in Epsom and Ewell borough in 2012, and since this time has supported over 19,000 residents experiencing financial uncertainty and food crisis. The Panty is an initiative proposed by the Epsom and Ewell Foodbank as a further social enterprise.
- 4.3 The Foodbank also offers a variety of additional services including counselling, support work, cooking skills, a digital inclusion service, energy/utility top-ups, and the offer of furniture.
- 4.4 The pandemic has led to a significant rise in unemployment and Universal Credit claimants in our borough
- 4.5 The number of residents in Epsom and Ewell being supported by the Foodbank since the start of the pandemic has increased by 236%, with households accessing their service for longer due to food uncertainty becoming more entrenched.
- 4.6 The Council recognises the value of the Foodbank in their support of those communities experiencing the greatest financial uncertainty and acknowledges, that over the course of the pandemic, many residents have come to rely on their services
- 4.7 Dependency on the Foodbank can have implications. Their offer is intended to provide a short-term solution to a food crisis/poverty. As such, it does not offer a wide expanse of choice, leading to limited food options. Over-reliance on the Foodbank can also be detrimental to a person's self-esteem and self-efficacy, thus creating further dependency
- 4.8 The Foodbank can also carry a stigma and as such, may present a barrier to some house-holds accessing the support they need. The Pantry may offer an alternative to the Foodbank model, that helps address this issue.
- 4.9 The Foodbank subsequently produced the attached business case (see Appendix 1) outlining the need for a Pantry in the Borough.
- 4.10 The Pantry initiative is well established and was developed as a social franchise by Church Action Poverty and Foundations Stockport. It is branded as 'Your Local Pantry'

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- 4.11 The 'Your Local Pantry' initiative offers an alternative to the Foodbank (which is typically free to use), as it works on the basis of a low cost payment for food selected by the user. As such it seeks to offer a low-cost food option that promotes financial autonomy, dignity and choice.
- 4.12 The social impact of 'Your Local Pantry' was evaluated in 2021 by Dr Naomi Maynard and Dr Fiona Tweedie, and reported by Church Action on Poverty. The report evidenced that 95% of Pantry members said it had improved their household finances by helping supplement their grocery shop, and making their money go further.
- 4.13 The report can be located here:
<https://www.yourlocalpantry.co.uk/media/6263/pantries-impact-report-2021.pdf>
- 4.14 As of December 2020, there were 35 'Your Local Pantry's' across the UK. The franchise is therefore well established with the required infrastructure and support mechanisms in place. This includes access to an on-line data-base to support member registration.
- 4.15 The Epsom and Ewell Pantry initiative will be based on the following principles:
- Offering a membership whereby residents pay £4.50 per week for food items valued at a minimum of £20. This helps the person's money go further.
 - Residents being able to choose their produce based on a combination of high, and lower value items. This includes meat, fresh fruit and vegetables, ensuring not only a more balanced/healthy diet, but also a choice of good quality produce.
 - Membership is open to anyone experiencing financial uncertainty, those on low incomes and/or those who are receiving support from other agencies in the borough.
- 4.16 The Pantry has the following aims:
- To support access to a low-cost food option for households on low-income who are struggling financially, but who would not have otherwise accessed the Foodbank
 - To provide a transitional option for households who have come to rely on the Foodbank, and work towards increasing their self-reliance in a safe and sustainable way.
 - To offer dignity, choice and good quality food to those house-holds in financial uncertainty.

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- To continue to provide additional support and sign-posting to its members. It will also offer a space where members can meet, provide peer support and reduce feelings of isolation

- 4.17 The Pantry will work to become a self-sustainable model from year 3 and thereby offer a step-down from Food Bank dependency for residents / reducing financial pressures on households.
- 4.18 The provision of the 'Pantry' will help support the borough's post-pandemic recovery by providing residents with a low-cost food alternative to the Foodbank.

5 Risk Assessments

Legal or other duties

5.1 Impact Assessment

- 5.1.1 There is a risk that the unit has not been let on the open market and that this may be subject to challenge. The following has been considered:

The immediate use of 24 South Street following its refurbishment, reducing the risk of a vacant property and increasing footfall in the area.

The aims of the 'The Pantry', and the overall aims of 24 South Street in respect of housing residents experiencing homelessness and financial uncertainty

The understanding that this is a pilot phase, with full market rent being requested upon year 2 if successful.

5.2 Crime & Disorder

- 5.2.1 There are no specific crime and disorder considerations associated with this report.

5.3 Safeguarding

- 5.3.1 There are no specific safeguarding considerations associated with this report

5.4 Dependencies

- 5.4.1** The refurbishment of 24 South Street is due for completion in November 2021.

5.5 Other

- 5.5.1 There are no other considerations associated with this report

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6 Financial Implications

- 6.1 The Pantry will generate a modest income for the operator, which will work towards it becoming a sustainable enterprise during the pilot phase.
- 6.2 The Foodbank will be responsible for meeting all revenue and capital costs which are estimated to be in the region of £45,000 (excluding any commercial rent).
- 6.3 Should the pilot be successful, the Council will receive £1,500 rental income in year one, with £12,000 rent per annum expected thereafter.

Furthermore, whilst the property remains vacant, as landlord the Council is itself liable to pay the annual c.£7,200 business rates bill into the local collection fund. By letting the property to the Foodbank/Pantry, the Council will not incur this cost, and instead the local collection fund will receive c.£1,400 in business rates from the Foodbank (as charities are eligible for 80% business rates relief).

- 6.4 **Section 151 Officer's comments:** Financial implications are set-out in the body of the report. Should the pilot be successful the Council will secure a modest £1,500 rental income for the Council in year one, followed by £12,000 per annum thereafter. The Council will also no longer be liable to pay the business rates associated with the property for the duration of the tenancy.
- 6.5 It is important to note that in the current economic environment, alternative tenants would also be expected to require a rent-free period incentive, in order to secure a lease.

7 Legal Implications

- 7.1 Epsom and Ewell Foodbank will be required to adhere to the terms of a commercial lease. This lease will be held directly with the Epsom and Ewell Foodbank.
- 7.2 **Monitoring Officer's comments: None arising from the contents of this report.**

8 Policies, Plans & Partnerships

- 8.1 **Council's Key Priorities:** The following Key Priorities are engaged:

The Council has set out its Four Year plan, identifying six key themes. The recommendations set out in this report contribute to the objectives of the plan, with particular emphasis on the borough being 'Safe & Well' and "Opportunity and Prosperity"

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The Pantry also support the Council's approach to supporting our community following the pandemic including 'Build Back Better'

Service Plans: The Pantry has been identified in the 2021-2022 Service Plan

8.2 **Climate & Environmental Impact of recommendations:**

8.3 There are no specific climate and environmental recommendations associated with this report

8.4 It is however acknowledged that the Pantry will provide each household with approx. 3.5kg of food that would otherwise have been surplus. This food will have been re-directed from Fareshare, with other food sources secured over the duration of the pilot. If the pilot is successful, this will equate to over 5 tonnes of surplus food being re-directed to low-income families over the course of the year.

8.5 **Sustainability Policy & Community Safety Implications:** There are no sustainability, or community safety implications associated with this report

8.6 **Partnerships:** Epsom and Ewell Foodbank is an established, and trusted partner of the Council. The Foodbank has provided vital support to the residents of the borough, and over the course of the pandemic, stepped up their operations to provide food to the shielded, and vulnerable residents.

9 **Background papers**

9.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Strategy & Resources Committee 30 March 2021 - 24 South Street

Other papers:

- None