

# **SWANSEA FOOD ENTERPRISE**

## **DRAFT BUSINESS PLAN**

**September 2017**

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# 1) KEY INFORMATION

## THE NEED

1. Food Poverty – Between 2013 and 2017, more than 14,500 adults and 7,500 children in Swansea were fed by food bank parcels.
2. Tackling malnutrition – approx. 4000 older people in Swansea are malnourished or at risk of malnutrition.
3. Addressing obesity – over 45,000 adults in Swansea are obese.
4. Reducing food waste – in the UK, more than 7.3 million tonnes of food and drink is thrown away every year; 71% of this comes from the home. In Wales we throw away more than 300,000 tonnes of avoidable household food waste.
5. Jobs for the long-term unemployed – Over 26,000 working-age people in Swansea are unemployed and actively seeking work.

## OUR RESPONSE

1. Food Poverty – we will produce and deliver freshly made, nutritionally balanced and good value food services, and use the profits to fund deliveries of the same high quality fresh food for people in need. We will work with partners to support people access the support they need to move out of food poverty.
2. Tackle malnutrition – we will target customer groups at risk of malnutrition with products designed to meet their needs and support their independence.
3. Address obesity – we will sell nutritionally balanced, good value meals, and complement them with training programmes to improve food preparation skills.
4. Reduce food waste – we will develop a local supply chain that diverts waste/surplus food away from landfill and into good food. We will prepare all our food freshly in Swansea to eliminate food waste from our production wherever possible.
5. Unemployment – we will become a key employer in Swansea creating Living Wage jobs, and offer accredited training programmes to develop work-based skills across all aspects of our business.

## OUR VISION

Our vision is '**Equality through Food**'. We will deliver this by creating a business that feeds, supports, trains and employs people well, with the aim of reducing food poverty and food waste and ensuring that good food is available for everyone.

Our business is grounded in providing good food for all; and profits from our sales are invested in:

- Creating well paid jobs for people who are long term unemployed
- Providing work based training to support skills development
- Raising awareness of food equality and reducing food poverty through training and support
- Providing fresh nutritious food for people experiencing hunger



A percentage of every meal sold will directly contribute to feeding someone in need.

We will campaign with partners to raise funds to help more people and raise awareness of food poverty.

We will use our profits to create training opportunities and Living Wage jobs.

# OUR STORY

**Swansea Food Enterprise** is a food business with a social purpose. We will use our business to feed people well, create social impact and campaign to engage Swansea's residents, business owners, and public and third sector organisations in bringing an end to food poverty in our city.

With more than 14 years' experience in Community Food & Nutrition, our team have worked consistently with partners and communities across Swansea to address barriers to nutritious and affordable food, through:

- Creating and delivering food related projects and training programmes
- Promoting Food and Health Campaigns
- Supporting partners across the third and public sectors
- Developing and facilitating local food networks
- Providing resources to partners

Research commissioned by Swansea Council in 2012<sup>1</sup> showed that parents were going hungry in order to ensure their children were eating. As the numbers of emergency food parcels distributed in Swansea rises year-on-year, it is clear that food poverty continues to grow and affect our city.

During this time, Swansea has benefited from a number of external grant funded projects that have supported residents to access, cook and enjoy good food. However, this project approach by its nature is short term and with limited impact. Funding for this type of work is unsustainable and increasingly difficult to obtain.

A new approach is needed to solving this problem. Following the 2012 study, we have spent a great deal of time researching solutions used around the world to address these issues. Seeking a long-term solution rather than a project-based 'fix', we have been exploring innovative ways to empower communities to develop skills, knowledge and access to good food; and to enhance capacity in community organisations to deliver support where it is needed in a sustainable way.

It became clear that 'traditional' approaches will never be able to drive true transformation at scale in Swansea, so we began searching for a partner who shares our value base and integrity, as well as a successful track record in using a commercial business model to tackle inequality.

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<sup>1</sup> Making Ends Meet, Co-Train, April 2012 on behalf of City & County of Swansea



First identified as a potential partner in 2013, Can Cook (CIC) Ltd<sup>2</sup> is a thriving social enterprise that uses its operations to tackle food poverty and create quality employment. Evolving from a successful cookery school established in Liverpool 10 years ago, Can Cook specialises in using food as a tool for regeneration and social justice.

With Can Cook's support, we are creating an exciting new enterprise with long term sustainability built in from day one; with social justice at its core; and with a drive and commitment to be a catalyst for change, and bring an end to food poverty in Swansea.

Our business will use a commercial model to achieve long term sustainability; to embed us as a key food producer in Swansea; to campaign for increased awareness around food inequality, and to 'light the spark' for Swansea to become a place where food poverty is unacceptable and good food is enjoyed by all.

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<sup>2</sup> <http://www.cancook.co.uk/>

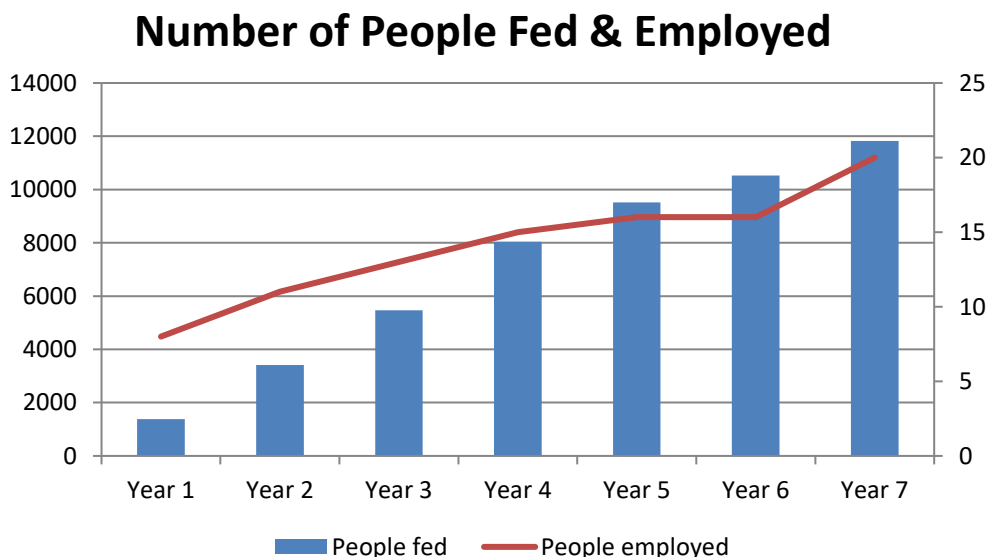
# GROWTH & SOCIAL IMPACT OPPORTUNITY

**Swansea Food Enterprise**, in its simplest operational terms, is a kitchen. Everything we do as a food producer and trainer focuses around kitchens. As a food producer, our kitchens are required to be of the highest possible professional specification with the capacity to assemble high quality meals in their thousands, to a public that has so far been over-charged and under-fed.

Our kitchen is at the heart of our business. Bringing together fresh ingredients from our local supply networks and donations from partners, we will create food of the highest quality for our customers, delivered to individual homes, care homes, day services, supported accommodation and nurseries.

Whilst producing good food, we also use our kitchen to feed, train and support people in need. Our flexible space allows us to make thousands of meals every year and offer training programmes, cooking classes, and apprenticeships to raise skills, education and employment levels.

Once the model is fully operational we will have the capacity to produce and sell thousands of meals each week, directly funding meals for around 10,000 vulnerable people each year alongside public campaigns which will fund thousands more. We will be delivering 100+ work-based training placements across our business every year, and we will have created 20+ high quality jobs for local people, many of whom will have experienced adversity.



## HOW MUCH ARE WE RAISING? AND WHY?

**Swansea Food Enterprise** will be an independent business with a commercial answer to a pervasive problem – how to tackle food poverty in a time of austerity, shrinking public sector budgets and short term project cycles with conflicting priorities.

Swansea Council has invested a small amount of start-up capital to allow the business to establish itself within the Swansea food space. As we emerge from the Council, additional funding is required to establish ourselves externally and navigate scaling up. There will be a number of investment opportunities and we are exploring solutions that will allow for a solid foundation and rapid growth.

We are looking to raise £510,000, which will fund equipment and premises for our Super Kitchen, support staff salary costs and supply working capital for years 1 – 3 of our business. This will provide sufficient balance sheet resilience to enable **Swansea Food Enterprise** to achieve financial sustainability within five years.

Our forecasts show that with this initial investment, **Swansea Food Enterprise** will achieve £1m+ turnover from year 5 on, delivering steady and sustainable growth and strong financial performance.

In Liverpool, Can Cook (CIC) Ltd has taken in over £2.5m to develop its business model; learning from the Can Cook experience and having their Director/Founder as a mentor, we estimate that £510,000 of equity/grant funding will capitalise the capacity of our business to achieve the figures displayed below.

### SWANSEA FOOD WORKS MODEL SUMMARY

MODEL PERIOD	REVENUE	PROFIT	JOBS CREATED
START OFF	£1,804,848	£50,627	13
ROLL OUT	£1,970,264	£54,366	4
FULL MODEL	£2,431,080	£222,016	3
<b>CUMULATIVE TOTAL</b>	<b>£6,206,192</b>	<b>£327,009</b>	<b>20+</b>



## 2) BUSINESS MODEL – OVERVIEW

### SOCIAL ENTERPRISE:

We will operate the following model of social enterprise:

- Create innovative solutions to specific social needs
- Trade to generate profit. We use that profit to strengthen our business and benefit others
- Campaign to highlight issues around food poverty and sustainable solutions

### SHARE:



A percentage of every meal sold will directly contribute to feeding someone in need.

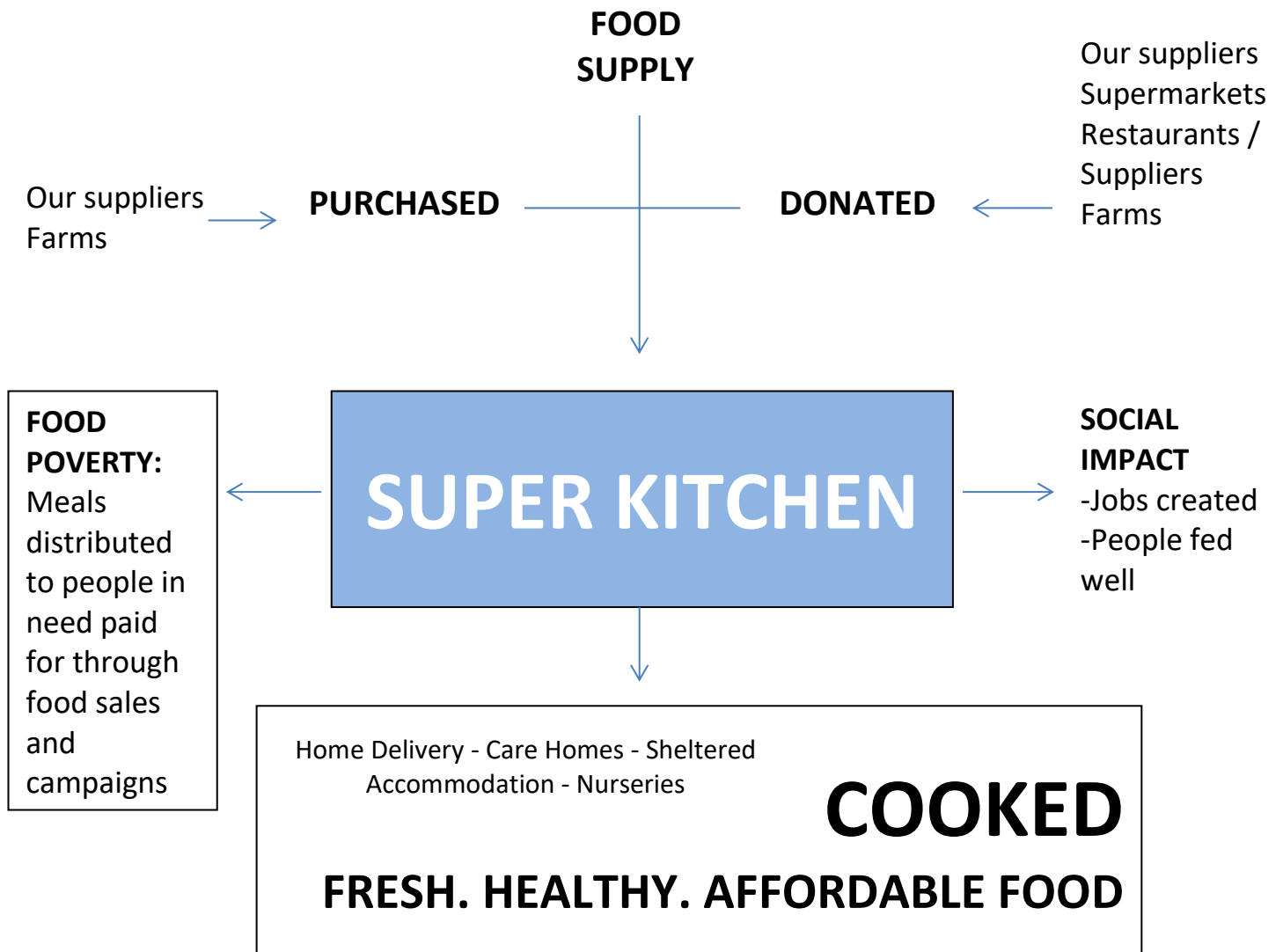
We campaign with partners to raise funds to help more people and raise awareness of food poverty.

We use our profits to create training opportunities and Living Wage jobs.

Free food is just part of the package of support we will offer. Our approach to 'Share' means we can flex our approach to meet the needs of our customers and residents of Swansea.

- Free food for those in need, delivered through a food distribution network of partner organisations
- Offering supported work placements
- Supporting other organisations to innovate, as part of a coordinated approach to ending food poverty in Swansea
- School holidays – food for families through the facilitation of a Swansea-specific support programme for school holidays
- Community training programmes to upskill vulnerable people

# BUSINESS MODEL

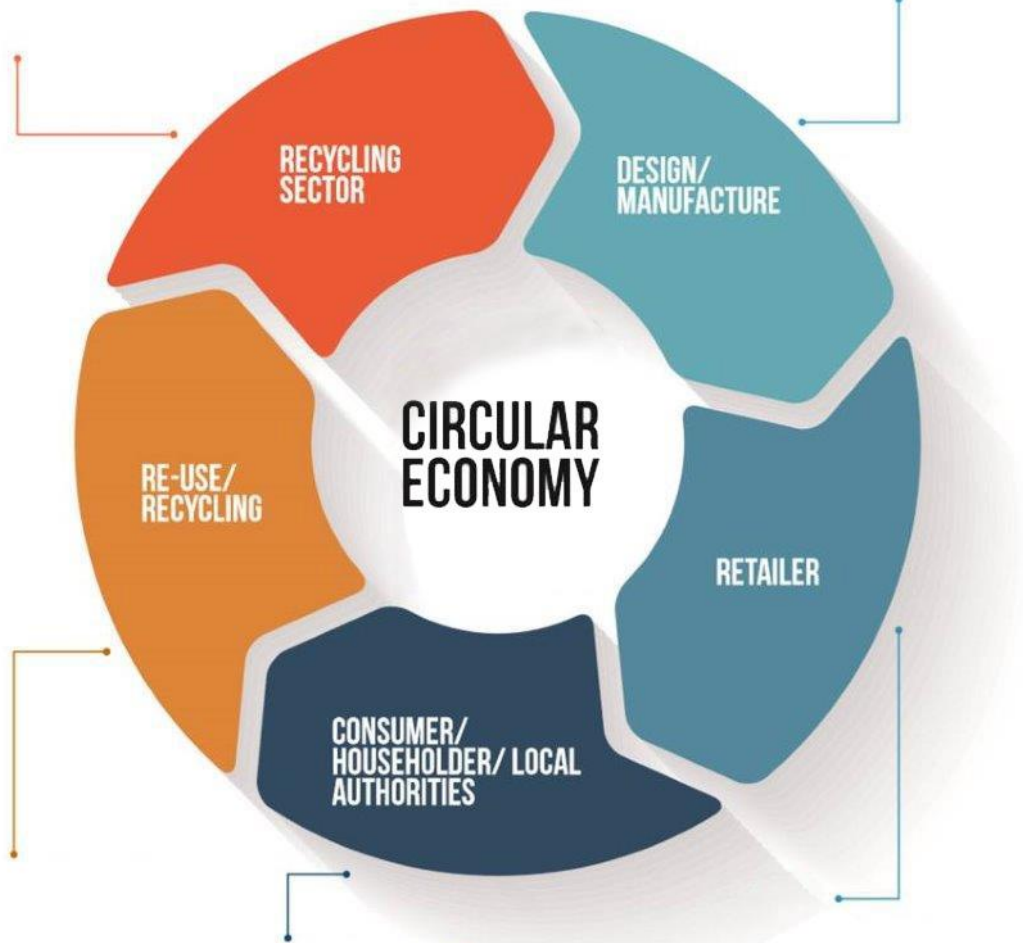


# BUSINESS MODEL

## SUPER KITCHEN:

Producing high quality nutritional meals to be sold through various outlets.

New range of fresh meals sold under the brand **COOKED**.



**FOOD WASTE:**  
Purchased and donated food is re-used to create healthy fresh meals

**HEALTHY MEALS:**  
Chilled fresh food delivered under the **COOKED** brand to care homes, nurseries and directly to home

**WHOLESALE:**  
Selling **COOKED** branded meals and fresh food items to a range of customers for resale

## COOKED

Can Cook's COOKED brand was created to 'solve the twin problems of a lack of high quality local employment opportunities for the most marginalised in the job market, and poor physical and mental health due to poor diet amongst the very young and the elderly.

COOKED uses a range of connected food services as a key regenerator by creating high quality training and job opportunities for staff, reducing malnutrition amongst the elderly by getting them to eat well again, and providing appealing, nutritionally balanced food for children at an affordable price<sup>3</sup>.

We will achieve this through use of a purpose-built Super Kitchen, capable of making thousands of meals per year. The Kitchen will serve a target market including delivery services for older people, both in extra care settings and in their own homes; for 'time pressed' families looking for high quality, convenient ready-to-cook meals; and for local food businesses lacking the capacity to produce their own products or who require the flexibility to obtain outsourced food production from a reputable, high quality source.

The Super Kitchen will become the workplace for 20+ local people, most of whom will have previously found it difficult to gain and sustain employment. We will train people well, providing accredited qualifications alongside job-specific training. This will provide the necessary skills and work experience that will ready graduates of our programme for employment within our own internal market or with other local food employers.

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<sup>3</sup> Can Cook Builder Capital Business Model, 2015

### 3) MARKET OPPORTUNITY

Our market research indicates that **Swansea Food Enterprise** can address multiple market opportunities, each with their own individual revenue drivers and diverse customer bases, from our Super Kitchen. Each of these are significant in their own right and the combination of them into a single, integrated business model will provide us with the growth potential and resilience to achieve financial self-sufficiency once resources are in place and local markets have been established.

These market opportunities are:

- Home Delivery
- Contract food preparation and production
- Wholesale supply
- Training

Our business will focus on delivering products and services to the most vulnerable people in our community – the very old, the very young, and those experiencing adversity. This is driven by our vision of **'Equality through food'**.

# FEEDING VULNERABLE PEOPLE

At any given time, more than three million people in the UK are either malnourished or at risk of malnutrition. The vast majority of these (approximately 93%) are living in the community, with a further 5% in care homes and 2% in hospital.

Malnourished people:

- See their GP twice as often
- Have 3 times the number of hospital admissions, and
- Stay in hospital more than 3 days longer than those who are well nourished<sup>4</sup>

It is estimated that 1 in 10 people over 65 living in the community are malnourished or at risk. Currently, over 2 million people over 75 live alone and with risk increasing in those over 75, malnutrition directly affects a significant proportion of the older population living alone in the UK.

Given this context of increased dependency on family, carers and support services, and the associated increased costs caused by malnutrition, good food for vulnerable people can be a key part of safeguarding both our oldest and youngest residents. Yet, even though food and feeding people dominates the timetable of every care setting, provision of food is rarely seen as more than a cost, and little focus is placed on the nutritional value of meals.

In the last decade, most Local Authorities dispensed with their in-house Meals-on-Wheels services due to cost. This has left the market open to private sector activity. Now however, this trend is starting to see a reversal, with Local Authorities looking to the third sector for solutions that can offer both a higher quality of food and add competition to what is a marketplace with a limited number of operators.

**Swansea Food Enterprise** aspires to provide nutritionally balanced, healthy, tasty and good value meals to vulnerable people in any setting – living independently at home, accessing care services, leaving hospital, pre-school nursery – where good nutrition can support better outcomes for vulnerable people.

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<sup>4</sup> Guest, J. F., Panca, M., Baeyens, J.P., de Man, F., Ljungqvist, O., Pichard, C., Wait, S & Wilson, L. (2011) 'Health economic impact of managing patients following a community-based diagnosis of malnutrition in the UK', *Clinical Nutrition*, Volume 30, Issue 4, Pages 422-429, August 2011

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# COMPETITION

There is no local competition in either the private, public or third sector for the full range of services we will offer.

One private sector business dominates the supply into homes and some care settings and they will compete in the COOKED space – Wiltshire Farm Foods. Businesses with a smaller presence in Swansea in this space include Oakhouse Foods and Apetito, and all three of these companies supply frozen meals through a franchise network.

Our market research indicates that there is a clear appetite for convenience meals delivered to home, but many customers found that the offer from these businesses was expensive once the 'meals on wheels' subsidy was removed. Swansea Council staff have told us that while some customers are satisfied with the product range, many found them to be poor value considering the quality, flavour and presentation of the food.

There are a small number of independent retailers offering a meal delivery service in Swansea, either directly or via Deliveroo partnerships. Each of these covers a very small geographical area and will not be able to compete with **Swansea Food Enterprise** for either the breadth of availability, consistency, or quality of the food offer.

The majority of care settings in Swansea both privately and Local Authority owned, provide their own catering offer in-house, including all food preparation and staff. This creates an opportunity for **Swansea Food Enterprise** to offer products at a higher quality and competitive cost, whilst supporting services to 'future-proof' their business by outsourcing food production rather than make ongoing investment in kitchen equipment and in-house staff.

Our Unique Selling Points (USP's):

- A percentage of every meal sold will directly contribute to supporting someone in need
- Our food is freshly made in Swansea, using only ingredients you would find in your own kitchen (locally sourced where possible)
- Our meals are healthy, tasty, and good value
- We use our profits to create training opportunities and Living Wage jobs.

## 4) SOCIAL IMPACT AND PUBLIC BENEFIT

### AREAS OF NEED

<b>Employment &amp; Training</b> (Long Term Unemployed) =	<b>High levels of unemployment</b> >	<b>Poor training options</b> >	<b>Low wage economy</b> >	<b>Limited routes to employment</b> >
<b>Health &amp; Wellbeing</b> (Children & Older People) =	<b>Food poverty</b> >	<b>Poor food options</b> >	<b>Obesity</b> >	<b>Malnutrition</b> >

### SOLUTIONS, SOCIAL IMPACT & SCALE\*

START-OFF	ROLL-OUT	FULL MODEL
<b>COOKED Meals Delivery Contract Catering – Care Settings</b> >  Meals Sold: 191,520  Meals Donated: 4,788	<b>COOKED Meals Delivery Contract Catering Wholesale</b> >  Meals Sold: 540,480  Meals Donated: 13,512	<b>COOKED Meals Delivery Contract Catering Wholesale</b>  Meals Sold: 1,274,400  Meals Donated: 31,860
<b>Food &amp; Cookery Training</b> >  Number of People Trained: 10  Total Number of People Employed: 11	<b>Food &amp; Cookery Training Accredited Training Programmes Apprenticeships</b> >  Number of People Trained: 40  Total Number of People Employed: 15	<b>Food &amp; Cookery Training Accredited Training Programmes Apprenticeships New Market Development</b>  Number of People Trained: 100+  Total Number of People Employed: 20+

\* Cumulative totals across model

The diagrams above depict a model that takes an array of connected food services and turns them into a key economic regenerator for Swansea.

Once the model is fully operational it will have the capacity to feed more than 10,000 vulnerable people each year. By year 7 we will be able to provide structured work-based training programmes and apprenticeships to more than 25 people per year. We will also have created 20+ high quality, sustainable Living Wage jobs for local people.

In this climate, that number of new jobs is a strong contribution to the local economy. Factor in the fact that most of these new jobs will be targeted at people who have previously experienced adversity, and this impact becomes even more significant.

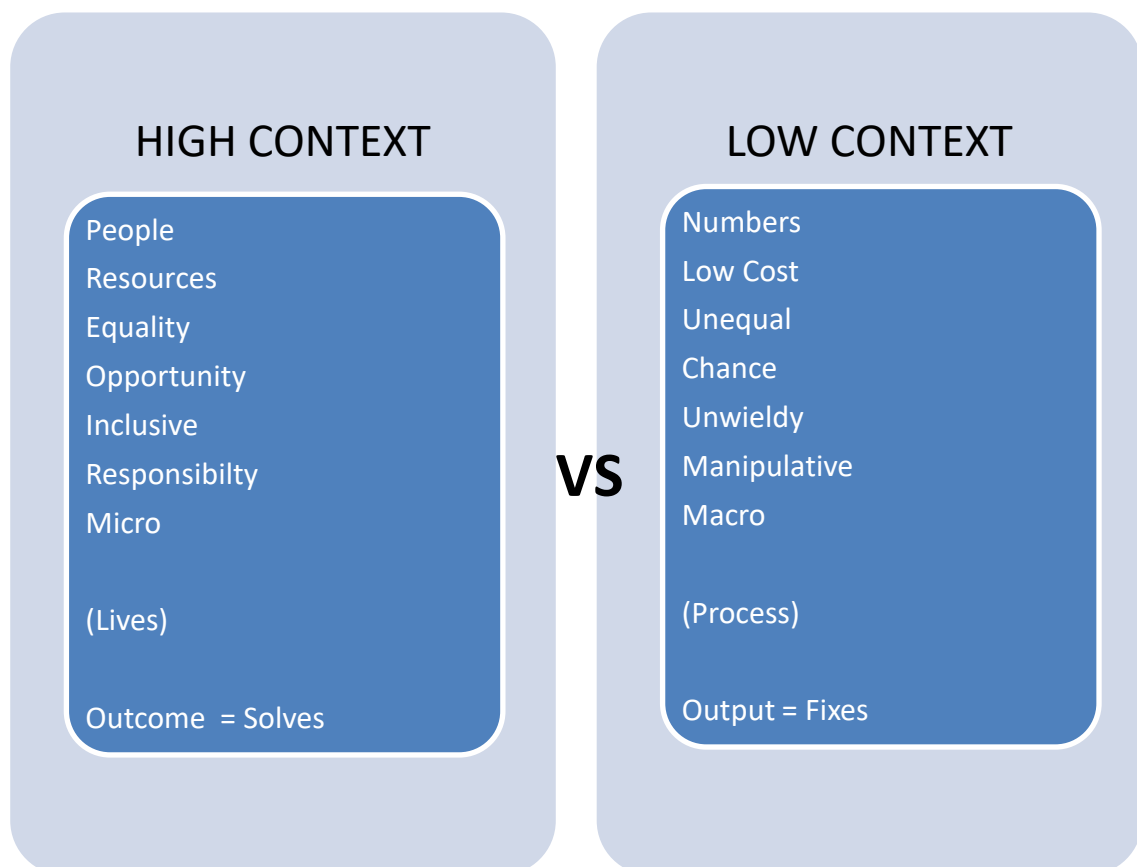
# SWANSEA FOOD ENTERPRISE – A HIGH CONTEXT COMPANY

**Swansea Food Enterprise** is a High Context Company. High Context is a people-first statement that defines how we carry out our work. The graphic below lists the all-important aspects of a High Context approach – starting small, connecting with peoples’ lives and always looking to solve a problem through the business that we do.

The High Context route is a challenge; it demands a great deal of discipline from all those involved and it determines that the company never chooses the route of a Low Context, process/output-driven fix.

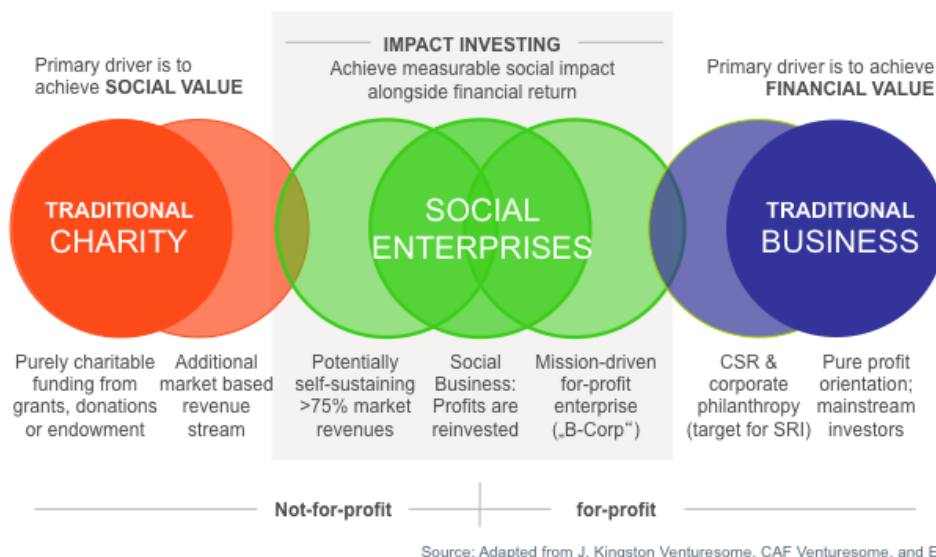
Our model sets out a High Context route to service delivery. The key indicators that define this route are:

- Training opportunities for the most marginalised in the job market. Training that will lead to an industry-focused accredited food qualification
- Living Wage salaries for entry-level employees who progress via the training
- Food that will price-match competitors and always be of superior quality
- Service delivery that will connect vulnerable people to additional services



## 5) FINANCIAL INFORMATION

### The business model spectrum revisited



As a Community Interest Company (CIC), our enterprise will be socially driven **and** commercially minded. We recognise that in order to deliver change in a sustainable way, we need to be profitable.

We are seeking a balanced investment between grant funding and repayable equity investment, as we feel this will give us the springboard to deliver meaningful change from day one alongside additional commercial incentive to exceed projections wherever possible.

Investors will see measurable outcomes from year 1, and the approach allows **Swansea Food Enterprise** to establish the correct trading position for investment to be fully repaid alongside the continuous delivery of social impact.

The table below summarises the outcomes we expect over the three phases of the model development:

MODEL PERIOD	REVENUE	PROFIT	JOBS CREATED
START OFF	£1,804,848	£50,627	13
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<b>CUMULATIVE TOTAL</b>	<b>£6,206,192</b>	<b>£327,009</b>	<b>20+</b>

An investment of £510,000 will allow us to achieve turnover of £6m+ between years 1 – 7.

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## 6) LEADERSHIP TEAM

**Enterprise Manager  
Amanda Owen**

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**Operations Manager  
Leanne Jenkins**

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**Business Development Manager  
Gemma Lelliott**

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**Head Chef  
Martin White**

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## BOARD MEMBERSHIP

Holding page – Board vacancies will be recruited following CMT/Cabinet sign off and establishment of legal structure.

## **7) KEY PARTNERS**

### **SWANSEA COUNCIL**

Swansea Council has supported our business from its inception, and has given us the freedom to create an enterprise that will be able to deliver **'Equality through food'**. Proving a small amount of core funding and time to incubate our business, the Council has made a strategic investment in an enterprise that will pay dividends in healthier, better-fed residents and training and employment opportunities.

### **HOUSING ASSOCIATIONS**

We have strong links with Swansea's key Housing Associations, including Gwalia (Pobl Group), Coastal Housing and Family Housing Association Wales. Their support ranges from supplying space to initiate our business to testing new products and services.

### **100 COMMUNITY ORGANISATIONS**

Our community links have formed through more than 14 years of working in Swansea communities, supporting and working in partnership with third sector organisations.

### **SWANSEA FOOD BANKS**

Through our community food work, we have strong relationships with Swansea's network of independent and Trussell Trust food banks.

### **LOCAL FARMS AND RESTAURANTS**

We are developing a growing network of local suppliers who will provide us with surplus food and end of season products, supporting our aims of reducing food waste in Swansea and making our business more efficient. Many of these local businesses will also be supporting us with our campaign work beginning in 2017, getting Swansea to 'Share Your Lunch'.

### **HEALTH PARTNERS**

We have contact with partners across local and national Health organisations, which have supported us in developing and delivering services across Swansea.

### **FOOD POVERTY ALLIANCE WALES**

We are active members of the Food Poverty Alliance Wales, whose vision is to enable all individuals, families and communities to have the ability to access affordable food that makes up a socially and culturally acceptable healthy diet every day.



## **KEY ADVISORS TO OUR BUSINESS**

### **ROBBIE DAVISON, CAN COOK**

Founder and Director of Can Cook (CIC) Ltd, Robbie has managed successful social enterprises for over 25 years. A Fellow of the School for Social Entrepreneurs with an MA (Dist) in Social Enterprise, he has personally raised millions to create community regeneration programmes and has co-authored a book about social investment, The Investable Social Entrepreneur.

### **SOCIAL FIRMS WALES**

Social Firms Wales is the National Support Agency for Social Firm Development. It is committed to the creation of employment opportunities for disadvantaged people through the development and support of Social Firms in Wales. They also help businesses and Local Authorities achieve Social Firms status and grow as profitable, supportive employers.