

Committee(s): Markets Committee – For Information Policy and Resources Committee – For Decision	Date: 11 September 2020 24 September 2020
Subject: Markets Co-location Programme: Food School	Public
Report of: City Surveyor and Director of Markets & Consumer Protection	For Information
Report author: Jon Avern – Chief Officer, Markets & Consumer Protection	

Summary

The Counterculture food education study has concluded that an on-site food school should be established as part of the Markets Co-location Programme (“MCP”), which has been reflected in the preferred market design option. The educational facility would be composed of a combination of teaching kitchens, preparation spaces, and flexible classrooms to deliver a range of training on food craft as well as complementary business skills to best train tomorrow’s market traders and the wider food industry. The facility is estimated to be up to 2,000m² and is likely to be a new self-sustaining ‘not for profit’ entity, which would coordinate delivery by a range of contracted specialist providers. The facility would complement the London Borough of Barking and Dagenham’s (“LBBD”) and Be First’s aspirations for a retail focused food hub in Barking Town Centre as well as the food production focus of Barking Riverside. Officers are developing a food activation programme to ensure that the right types of courses are developed and relationships are established with potential providers and end users before the food school opens in 2025/6.

Recommendations

Members are asked to:

- **Note** the recent work and solutions recommended by Counterculture.
- **Note** that the City of London Corporation (“CoLC”) will provide an education facility as part of the Dagenham Dock co-located market as approved by the Markets Committee on 29 January 2020 and the Policy and Resources on 20 February 2020.
- **Agree** that the delivery of an on-site food school at Dagenham Dock to the scope outlined in the report should become embedded in the requirements for the new market.
- **Note** that a new retail food offer in Barking Town Centre is being brought forward by LBBD and Be First, which will complement the market and will be subject to an umbrella governance to ensure the synergistic activities work together.
- **Note** the intention for further work on the development of a food school, early delivery of enhanced training, and a food activation programme in

collaboration with LBBD and Be First, all of which will be the subject of a future report and budget request.

Main Report

Background

1. The CoLC is planning to relocate its three wholesale food markets (Billingsgate, New Spitalfields and Smithfield) to Dagenham Dock in the LBBD by 2025/6. The MCP will deliver regeneration in Dagenham Dock, jobs for the Borough at the markets and from complementary uses such as food production, and improvements in the carbon emissions of the food supply chain to the benefit of all Londoners.
2. As part of the new market build, the CoLC and LBBD shares a commitment to food education and the establishment of a food school on the new site at Dagenham Dock as well as complementary activity in Barking Town Centre as part of the Borough's revised Food & Beverage ("F&B") offer. As such, the Markets Committee on 29 January 2020 and the Policy and Resources Committee on 20 February 2020 approved the appointment of Counterculture Partnership LLP to complete further research on the economic case for a food school and relevant retail offer. This was a joint commission with Be First, a development company, wholly owned by LBBD, who have the remit to provide planning, regeneration and development services on behalf of LBBD.
3. Counterculture's final 135-page report has now been received and their findings and recommendations form the basis of this Committee report.

Brief

4. The brief was to research the education needs and best practice facilities and programmes required to train tomorrow's market traders as well as develop a world-class retail market in Barking Town Centre. This covered: an overview of existing food skills and the education landscape, a gap analysis, agreeing priorities, developing options and a final preferred option, as well as outlining a business case and identifying potential partners.
5. Recognising the importance of education and improved business skills to the future prosperity of the markets and competitiveness of its traders, the CoLC's high-level priorities were identified as follows:
 - a. Training tomorrow's market traders, providing the skills required to develop our future butchers, fishmongers, and fruiterers;
 - b. Developing a food skills and education programme to support and enhance the MCP;
 - c. Complementing and realising the wider benefits of the MCP to regenerate the food offer in LBBD; and
 - d. Developing ambitious F&B facilities which will attract investors, partners, and businesses to the Borough and engage local stakeholders.

Current Landscape

6. Nationally, the provision of training and education across the food, catering and hospitality sector makes for a varied landscape with a complex mix of

qualifications, learning experiences and providers in a wide range of subject areas. A combination of reduction in educational options and negative career perceptions has led to a steady decline in the uptake of food-related qualifications at Further Education (“FE”) and Higher Education (HE”) level across London and the UK. This is set against a growth in demand (pre-Covid-19) from the food sector in general and the hospitality sector in particular.

7. In LBBD, there is limited provision for post-16 and adult education and skills in the food sector. The current offer is a standard mixture of FE, apprenticeship, and leisure courses without any clear career pathways into trades associated with the possibilities created by the MCP.
8. The Technical Skills Academy (“TSA”) part of Barking & Dagenham College (“BDC”) in Barking Town Centre has modern training kitchens and a restaurant where students can get real work experience. The kitchens are currently underutilised, especially out of term-time and in the evenings. The TSA currently offers 9 Level 1/2/3 courses in cookery and food. Local destination data post-16 is variable, but skills development appears to lead to progression outside of the borough and not to employment within the borough.
9. The CoLC already provides learning opportunities and apprenticeships which are available to existing traders as part of its commitment to foster and support lifelong learning. Over half of the apprenticeship and skills training courses are delivered in-house, in the Guildhall. The more specialist training areas, such as Food and Poultry, Horticulture, and Animal Care are ‘contracted out’.

Gap Analysis

10. Currently there is limited take up of training and apprenticeship opportunities at the existing markets. Over the past 4 years there have been 8 butchery apprenticeships at Smithfield and a modest take up of training more broadly across the markets. Approximately 60 traders have taken up other courses such as basic skills in maths, English, business administration, plumbing and customer service. Other potential areas of delivery provided by the CoLC include bookkeeping, digital marketing, procurement, facilities management, and finance.
11. Consultation with the market Superintendents revealed a low demand at present beyond the need for basic statutory training. There is limited engagement at Spitalfields and Smithfields beyond Forklift Instruction, which is organised by the traders themselves at New Spitalfields. However, the Billingsgate Superintendent reported that some traders have a greater level of engagement, in part because the Billingsgate Seafood Training School (“BSTS”), an independent charity on site providing relevant training for the industry. There have been no apprenticeships provided through the traders at Billingsgate, however, there have been apprentices in the CoLC’s administrative team.

User Groups

12. The on-site food school could cater for a diverse range of user groups which have unique training needs requiring bespoke responses, as follows:

- a. Market Traders;
 - b. Industry / Corporate Sector;
 - c. Local and Regional Small and Medium-Sized Enterprises (“SMEs”) and Start-Ups;
 - d. Local Schools, Academies, and Community Outreach;
 - e. Private Training Provision: ‘Career Changers’;
 - f. Private Training Provision: Leisure; and
 - g. Young People (16-19).
13. For market traders, their core needs include: food identification, food hygiene, health & safety, manual handling, equipment training and licensing, technology and data, business systems, process engineering, finance and accounting, funding, business training, mentoring, business continuity, and apprenticeships. See Appendix 1 for more detail on the needs of each user group.
14. Feedback from existing providers of public ‘leisure courses’ is that successful courses are centrally located and near to affluent audiences. This demographic does not match that of LBBB now but that is set to change as the new market becomes more established. Therefore, the initial offer could be limited but with the possibility to grow over time as demand does. There is more opportunity to initially offer longer courses for retraining, partly due to individuals willing to invest in their careers will be more amenable to travel.
15. Travel to learn patterns at FE levels mean that students want local and easily accessible provision. The Dagenham Dock site presents challenges in that respect. There is also underused local capacity in LBBB’s FE sector at the TSA in Barking Town Centre, which is where most further Education courses will be held.
16. A public food retail offer at the new co-located market is still under review, and there is recognition that the Dagenham Dock site is not easily accessible for mainstream day-to-day retail customers. There are also operational difficulties of combining members of the public with wholesale activities. Locating this in Barking Town Centre responds to identified future consumer need in the town centre and offers additionality to the Dagenham Dock site as traders have the option to sell their produce in the town centre.
17. The LBBB and Be First concept for a retail focused food hub in Barking Town Centre is still to be finalised, however the two favoured options include being co-located within the larger redevelopment of the Vicarage Field site next to Barking Station or part of the redevelopment of the Clockhouse Avenue/East Street site overlooking Abbey Green. This will enable the food hub (including educational facilities) to be developed along with new retail, residential and potentially hotel facilities. The hub would be delivered to a similar timescale to the food school at Dagenham Dock to realise the full synergistic potential.

Options

18. In order to address the identified gaps and provide a facility that best meets trader needs, multiple options were considered against various metrics including

strategic fit. The preferred Option 3 is the intermediate approach, however it should be noted that the less ambitious Option 2 still provides the basic elements required to upskill our future traders.

Option No.	1	2	3	4
Option Type	Minimum / Baseline	Basic	Intermediate	Maximum
Strategic Fit	Minimum	Core objectives met only	Core and desirable objectives met	Core and desirable and optional objectives met
Scope (What?)	Re-provision of existing BSTS facilities; basic classroom facility for traders	Basic facilities at Dagenham Dock (see baseline + 1 x butchery kitchen which could also be available for fruit and vegetable training) <i>Retail functions and FE/HE facilities in Barking Town Centre</i>	School at Dagenham Dock with wider range of facilities such as additional kitchens to allow diversified offer - leisure training and support for local SMEs and food start-ups. Retail functions and FE/HE facilities in BTC	As intermediate plus primary base for an FE/HE provider and adopting more ambitious retail and public-facing activities upfront, provision of which is currently assumed as part of Barking Town Centre development
	Discounted	Carried Forward	Preferred Way Forward	Discounted
Scope at DD Site (How Much Space?)	c. 700 sqm	c. 1,000 sqm	1,500 - 2,000 sq m	Over 2,500 sq m
	Discounted	Carried Forward	Preferred Way Forward	Discounted
Service Solution At DD Site (How?)	Local Authority (direct delivery)	BSTS, Butchery provider and CoLC	Single independent entity coordinating delivery by a range of contracted specialist providers	Single independent entity responsible for all delivery
	Discounted	Carried Forward	Preferred Way Forward	Discounted

Preferred Option

19.A 'food school' at Dagenham Dock could mean many different things, and as plans for the co-located market evolve and the local demographics shift, so will its components. However, at this point in time, what is being proposed is the following:

- a. A food school at the co-located market site offering a combination of teaching kitchens, preparation spaces, and flexible classrooms to deliver a range of training and education – covering food craft and related business and technology skills – to market traders, the wider food industry in London and the South East, visiting students. and local communities;
- b. Facility between 1500 – 2000 m²;
- c. A managing entity (most likely a charitable company) delivering the food school in partnership with a range of contracted specialist providers;

- d. Formal and branded links with core FE / HE providers, who will also be occasional users of spaces at the food school;
- e. Formal and branded links with a new food court style F&B offer in Barking Town Centre, which will have a number of associated commercial kitchen space for SMEs;
- f. Launch in 2025/6, with potential for more immediate provision of courses as part of a food activation programme as well as activity in Barking FE facilities from 2023; and
- g. Capital funding for shell and core provided by the CoLC with potential to raise funding for fit out from grants / sponsorship / fundraising.

Required Facilities

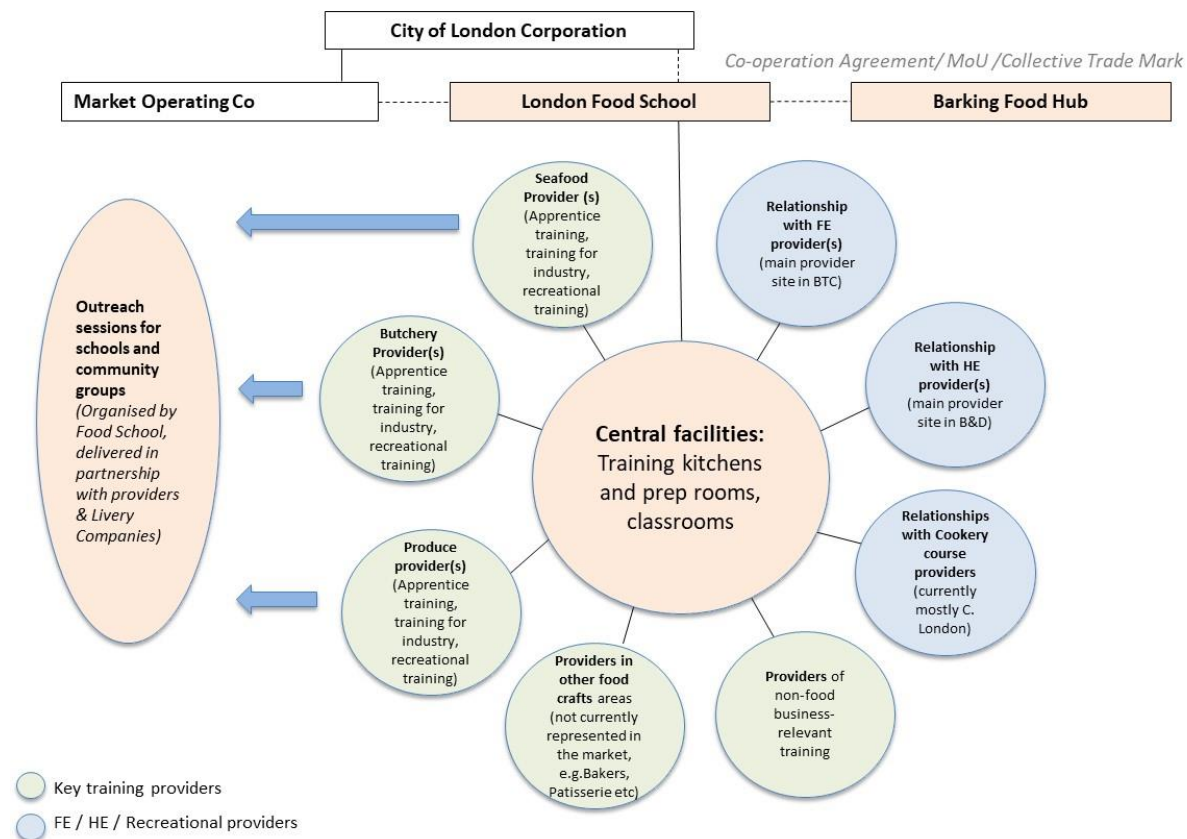
20. The facilities will be flexible with shared spaces which will allow the food school to operate across a range of functions, rather than operate in silos, as well allow the operator to sweat the assets. The following facilities will be required:
- a. 5 training kitchens;
 - b. Preparation rooms;
 - c. 3/4 flexible classrooms / lecture room;
 - d. Study space; and
 - e. Common room / dining hall.
21. The current estimated floorspace is: 1,700m² (18,400 sqft). This space provision has been established from a bottom-up approach via interviewing existing providers like MEAT Ipswich, Waltham Forest College, and the BSTS as well as a study conducted by Aecom in January 2020.
22. This space provision is reflected in the preferred design for the co-located market at Dagenham Dock and has been costed on the same basis as the office provision (walls, power, water).
23. Some consultees have noted that it would be desirable to provide accommodation for week-long block courses. Given it is likely that a hotel will be developed as part of the wider regeneration of Barking Town Centre, it is felt that a commercial partnership with this nearby development is preferable to on-site accommodation.

Establishing Demand

24. Until a firm proposition has been tested with potential operators and end users, it is not possible to say what the real demand for a new food school would be. However, the MCP team and Counterculture have interviewed a range of stakeholders such as industry professionals and potential education partners to establish the likely demand against the backdrop of a population growth in the LBBD of 28% by 2034, an additional c.122,000 people. A combination of market trader need, commerce and industry interest, and the potential to train people seeking to change careers, suggests there would be uptake for the Dagenham Dock food school. See Appendix 2 for further detail.

Organisational Structure

25. The food school activities could be organised in the following way:



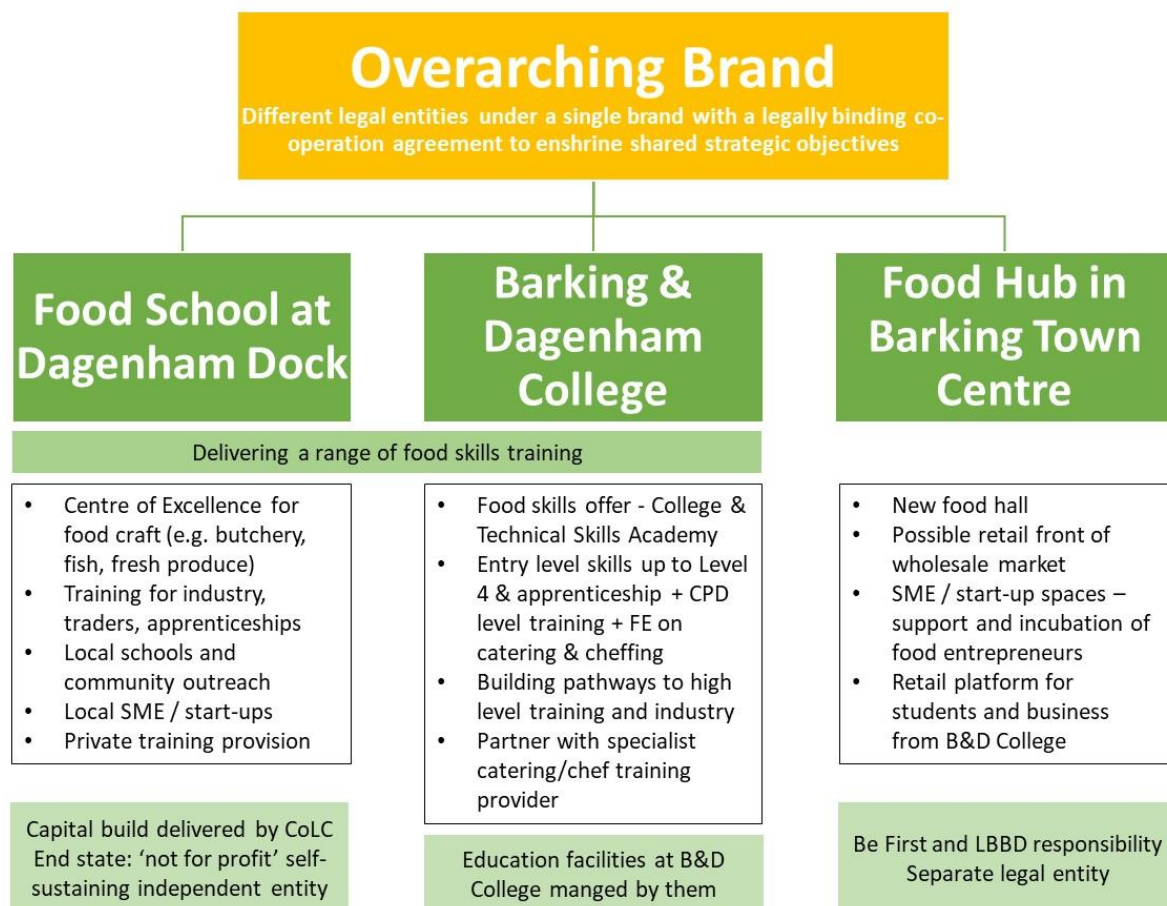
Entity Status

26. Different options were considered for what status the food school should adopt, from being part of the CoLC's real estate capacity through to a completely independent body. The preference is for the food school at Dagenham Dock to be a new 'not for profit' self-sustaining entity, independent from the CoLC but with senior officer or Member representation on the Board. Although this is not the simplest structure, it relieves the CoLC from day-to-day administration burdens and is preferable in terms of an independent body being able to raise charitable donations and win grants/ external funding. Like with other charities that the CoLC supports, consideration could be given to whether the CoLC part-funds the entity for the first 3 years to help it get established. In the establishment and first few years of operation, the CoLC would need to provide a dedicated staff member to ensure the food school delivers on Corporate objectives and to provide an overall coordination role, which would require new funding.

27. The food hub in Barking Town Centre would be a separate entity, however both bodies could work together via a legally binding co-operation agreement to deliver the strategic objectives, including local outreach and support for local start-ups and/or SMEs. It is also recommended that a single brand be adopted so that the public face of the food school and food hub can be understood as one; this could be managed via a non-binding Memorandum of Understanding.

28. The food hub in Barking Town Centre will likely be some type of ‘for profit’ joint venture in which the LBBD will have an interest, potentially with a commercial partner either linked with the developer of the preferred site or with an established food hall/market provider. It is not anticipated that the CoLC will have any financial input or responsibility for this element of a broader food offer.

29. This multi-organisational but separate legal entities model is articulated below:



Expert Training

30. Researching other delivery models, including the new Institute of Technology hubs and the papers published on the proposed London Food College, the best approach to meeting anticipated demand is considered to be through a matrix of partnerships with existing providers, who would provide access to both accredited practical training provision and government funding streams for FE and apprenticeship delivery.

31. Accordingly, it is recommended that while the food school is led and managed by a single entity, it oversees the delivery of a range of activities by highly respected independent providers. For example, Westminster Kingsway College (“WKC”) has welcomed the idea of partnering with the CoLC or an independent food school associated with the co-located market, and the BSTS has expressed an interest in providing its industry training and outreach programmes at Dagenham

Dock. The CoLC already provides training for apprentices and could do more in the future, especially business-related training and Fusion Skills.

32. Providers would pay rent and service charge to the food school to cover central costs and take fees and other income from individuals, companies or other funders. The food school would have direct partnerships with existing local FE and HE providers who would use the school's facilities and benefit from access to the markets in order to enhance their own provision as well as offer greater breadth and depth to the school's offer. The two primary local FE and HE providers both have existing facilities in Barking, so the primary scenario is for them to augment these facilities by using the food school facilities when required, as well as linking with the food hub in Barking Town Centre.
33. With regard to community and schools outreach, this is currently undertaken at Billingsgate by the BSTS. If BSTS were a delivery partner at the food school, it would also be able to deliver a similar programme here albeit across all the different food groups. There is a real opportunity to focus activities on specific ethnic groups, fully engaging a diverse group of potential participants.

Outline Business Case for Preferred Option

Business Model

34. The business model will be based on independent providers accessing government and industry funding streams, as well as income from learner fees and organisations investing in skills development.
35. Delivery partners will be charged for the use of the food school facilities having indicated that they would not be in a position to invest in large upfront capital costs but may be able to invest in the fit out costs or assist in gaining sponsorship or in-kind support from manufacturers to offset such costs. The initial capital cost of the food school (shell and core) will form part of the wider MCP budget.
36. The food school will charge a pro-rata split of shared costs based on turnover to reflect a fair proportion of the school's administration running cost. Costs that will be recharged include: administration and staff costs (excluding outreach staffing); marketing; utilities; maintenance; and other premises related overheads.
37. The level of charging has in the first instance been modelled to give an indication of income required to reach a breakeven budget. It should be noted that these types of entities, mostly based in the FE sector, generally have business models where the nature of their building and land ownership means that they do not pay rent and they pay minimal service charge. Provisional income is based on what is known about the BSTS's level of industry training and applies similar figures, weighted for different spaces across other areas of provision.
38. The advantage of this proposed model is that it keeps fixed costs for the food school to a minimum and spreads the risk across the range of partners. In addition, should charitable status be pursued, all the school's income from the independent providers will be treated as charitable and surpluses will not be

subject to corporation tax. Similarly, it is expected that charitable status would minimize any business rates liability.

Rent and Service Charge

39. A key variable, which is yet to be determined, is the nature and level of any rent and service charge that might be levied on the food school by the CoLC. If rent and service charge were levied on the same basis as it will be to market traders (i.e. fully commercial basis), based on the current floorspace, the combined annual charge would be c.£600,000 per annum. This would make the food school unsustainable as it is currently conceived. The BSTS currently receives a substantial discount on rent and service charge. If both these rates are applied to the proposed new food school floorspace, the annual charge equates to c.£230,000 at today's prices. The potential implications of this are explained below.
40. **Scenario A: No rent or service charge.** This scenario suggests that with no rent or service charge, the providers would need to turnover just over £1 million of trading in order to enable the food school to reach a breakeven point, assuming it received some additional income from FE/HE and SME rental. The providers would be paying circa 36% of their income in school-related costs, leaving 64% for their staff costs, materials and profit. It should be noted that ideally, the school would generate a greater surplus in order to build reserves (assuming it is a not-for-profit charity which wishes to follow good practice).
41. **Scenario B: Rent and service charge at BSTS levels.** This scenario suggests that with rent and service charge levied at the levels as the BSTS, the providers would need to pay 48% of their income assuming similar turnover. It would also require a higher level of recreational courses.
42. Further work is required to test the percentage level of charge to providers for premises and overheads that is acceptable for the providers' business models to work. It may well be that the level of contribution required in Scenario B renders the school unviable.

The First Five Years

43. Modelling of the first five years of opening – along with the set-up year – has been completed in order to project the start-up-costs aside from initial capital investment. The model includes staff and office costs in the two pre-opening years along with development of the operation in the first two years of opening. This model projects a surplus by year 3.
44. The development cost levels in this projection suggest a revenue cost of circa £570,000 in Scenario A (no rent / service charge) and circa £720,000 in Scenario B (rent and service charge model).
45. Scenario B requires a larger provider turnover (an additional £100K per annum) as well as a higher provider contribution as a percentage of turnover in order to

generate a small surplus in order for the school to be able to pay the required rent and service charge to the CoLC.

Outputs

46. A Treasury Green Book Logic Model¹ has been developed to identify and seek to articulate the 'theory of change' underpinning the rationale and design of the proposed food school. See Appendix 3. This process has helped to identify relevant benefits indicators and assumptions, with a focus on those with quantifiable economic effects (e.g. job creation or productivity growth). Relevant indicators include:

- a. Output indicators: number of beneficiaries trained, amount of workspace created, number of visitors, level of visitor spend.
- b. Impact indicators: percentage increase in productivity resulting from training or workspace provision. Published datasets from the most recent UK Annual Business Survey have been consulted in order to identify relevant benchmarks for Gross Value Added per worker.

47. The model demonstrates that the food school could provide the following annually:

- a. **Traders**: 2,400 individual training days and 2,200 traders trained;
- b. **Apprenticeships**: 2,000 individual training days and 50 apprenticeships;
- c. **Food industry**: 3,500 individual training days and 2,000 workers trained;
- d. **Team building**: 30 activity sessions and 900 people engaged;
- e. **Non-local workers**: 1,000 individual training days and 1,000 workers trained;
- f. **Outreach**: 108 outreach sessions and 4,320 people engaged; and
- g. **Private training**: 120 day-long courses and 1,200 people engaged.

Economic Impact

48. Counterculture's economic analysis concludes that the new food school at Dagenham Dock has the potential to deliver **almost £260 million in gross economic impact over an initial 10-year period**, of which:

- a. £18 million is from the direct economic effects of expenditure on their development and operation;
- b. £242 million is from the indirect and induced effects of increased productivity by individuals and businesses supported; and
- c. Over £138 million in net economic impact, including over £76m at a local (LBBD) level.

Potential Partners

49. Building a matrix of potential delivery partners is key to the proposed model for the food school. The CoLC's Department of Community and Children's Services provides Adult Skills Education and apprenticeships and will be an important part of the provision for trader education, especially in the non-food specialisms such

¹ A way of articulating a project's development in accordance with the Government guidance on the appraisal of public investments.

as business practice and establishing employment pathways for those who are new to this sector. There are also other specialist providers in these fields who have expressed an interest to partner with the CoLC such as WKC, London South Bank University, Barking & Dagenham College, Waltham Forest College, and Coventry University London.

50. In terms of the range of specialist food training, the BSTS has expressed an interest in transferring its provision for industry and community outreach to Dagenham Dock, with a focus on developing close relationships with surrounding Primary Schools, Secondary Schools, and Academies. It was confirmed at a recent meeting of the Pan-Livery Food Group that the Butchers and Drovers Charitable Institute is interested in the food school project and has funds available for educational purposes. Other private training providers and sector bodies that have expressed an interest in the food school include MEAT Ipswich, Poultec, Fresh Produce Consortium, Food and Drink Qualifications Ltd, and the Catering Association of Butchers.
51. During the next phase of development, the CoLC need to bring on board key food training delivery partners in areas such as meat, poultry, fresh produce and other foodcraft areas. This process should be progressed in a way that will mean eventual users are able to feed into the design brief for the food school.

Programme and Early Delivery

52. Ahead of an opening date to coincide with completion of the new market, during the Development Phase (2021-2025/6) there are a number of activities required to deliver the wider food school model and develop the necessary organisations, programmes and partnerships such as:
- a. A food activation project over the next 12-18 months to create the skills training that will support the longer-term training needs of both existing and new market traders;
 - b. Continue to engage industry and interested partners; and
 - c. Develop the primary cohort of lead providers.
53. The food activation programme could act as an incubator and then main feeder into the food school at Dagenham Dock. It would provide opportunities for market traders to be professionally trained early, therefore giving their business the benefits of having trained and qualified staff, nurturing new talent. These skills would focus on the identified gaps that exist in the food and hospitality sectors, who have been severely affected by the Covid-19 pandemic. It would also ensure that learners from diverse communities are encouraged to engage in this area of learning, whilst working with apprentices to develop a wide range of employable skills and direct routes into industry. Members are asked to note the ongoing work and note that an associated budget request will form part of a later report.

Conclusion

54. The new market build provides a unique opportunity to also deliver an educational facility of scale and ambition which could deliver a range of training on food craft as well as complementary business skills to best train tomorrow's

market traders and the wider food industry. The independent, 'not for profit' entity would coordinate delivery by a range of contracted specialist providers. The LBBD has made its commitment to food education clear and welcomes the synergistic potential of the food school with its aspirations for a retail focused food hub in Barking Town Centre as well as the food production focus of Barking Riverside. In order to develop such a facility with industry and the right providers as well as allow for early delivery of new courses, an exciting food activation programme is being developed.

Appendices

- **Appendix 1** – Food School User Groups.
- **Appendix 2** – Establishing Demand.
- **Appendix 3** – Food School Logic Model.

Appendix 1 – Food School User Groups

User Group	Need	Offer	Funding
Market Traders	<ul style="list-style-type: none"> Food skills: food ID, food hygiene, health & safety Manual handling, equipment training and licensing Technology and data, business systems, process engineering Finance and accounting, funding, business training, mentoring Business continuity Apprentices – provision of day release 	<ul style="list-style-type: none"> Bespoke training courses to cover the breadth of courses identified in “need” section Apprenticeships in the various food disciplines as well as a generic “markets” apprenticeship scheme or introduction/foundation course 	<ul style="list-style-type: none"> Full cost from traders; potential for training levy as part of service charge to encourage uptake
Industry / Corporate Sector	<p>Main markets:</p> <ul style="list-style-type: none"> Independent food retail, food preparation businesses in London and the South East F&B kitchen staff and food SME staff <p>Requirements/need identified though initial consultation:</p> <ul style="list-style-type: none"> Food ID and preparation skills Food hygiene and food safety Related business skills (e.g. maximizing yields from a carcass) CPD – short course updating skills for existing workforce CPD ‘away days’ for workforces of larger companies 	<ul style="list-style-type: none"> Training for food sector responding to range of identified needs including: <ul style="list-style-type: none"> Apprenticeship day release 1-2 day skills courses 1 day CPD courses 1-2 week block courses for apprentices / can be offered internationally (as MEAT Ipswich do) Possibility to extend this offer to non-food training to other local and regional businesses 	<ul style="list-style-type: none"> Full cost recovery: businesses pay
Local and Regional SMEs and Start-Ups	<p>As above, plus:</p> <ul style="list-style-type: none"> Dedicated kitchen space Product development Small scale production 	<ul style="list-style-type: none"> Traders, catering, F&B processing, etc. provision of co-working and private kitchen / office / incubator space 	<ul style="list-style-type: none"> Full cost recovery: businesses pay. However, potential to subsidise through future business support schemes
Local Schools and Community Outreach	<p>Local need for:</p> <ul style="list-style-type: none"> Health education Food awareness Community cohesion Community / young people awareness of career pathways 	<ul style="list-style-type: none"> Site visits / classroom activities for schoolchildren KS1-4; educational visits for the public, outreach to adult groups including: <ul style="list-style-type: none"> Introduction to the markets Food / species ID Basic preparation and cookery World food 	<ul style="list-style-type: none"> Raised income from external funders – e.g. charities, Livery Companies and Industry sponsors

		○ Health and diet	
Young People (16-19)	<p>Workforce needs in following areas:</p> <ul style="list-style-type: none"> • Co-located market • London F&B sector • London independent food sectors • Wider food manufacturing sector <p>Current local FE/HE sector not providing significant provision due to lack of existing pathways. Market and associated activities have potential to change this and open up pathways</p>	<ul style="list-style-type: none"> • Entry-level courses (Levels 1-3) across a range of food and catering subjects • Partnerships with existing providers to host course elements at the Food School 	<ul style="list-style-type: none"> • Apprentice training funded via employers / Apprenticeship Levy • FE student engagement funded via their institutions via direct grants. Usage fees paid to the Food School
Higher Level Courses (HE)	As above, but for those with higher level professional ambitions in the food sector	<ul style="list-style-type: none"> • Level 4+ courses (HE levels and specialist professional training, including apprentices in food trades) • Partnerships with existing providers to host course elements at the food school 	<ul style="list-style-type: none"> • HE student engagement funded via their institutions via: OFS Direct Grant; Student Loans (HE)- SLC; ALL – SLC; Student Fees; International Students • Usage fees paid to the Food School
Private Training Provision: Leisure	<ul style="list-style-type: none"> • Recreational leisure courses for ‘food lovers’ • Expanding market in London in recent years • USP of market adjacency has potential to offset potential access issues associated with a non-central site 	<ul style="list-style-type: none"> • Market experience • Food / species ID • Preparation (e.g. butchery, fishmonger, produce prep) • Cooking • 1-2 day courses 	<ul style="list-style-type: none"> • Full cost: individuals pay
Private Training Provision: ‘Career Changers’	<ul style="list-style-type: none"> • Longer courses for individuals who want to re-train in food / catering 	<ul style="list-style-type: none"> • Full range of food skills from species ID, preparation, cooking, business related skills • In-house diploma 	<ul style="list-style-type: none"> • Full cost: individuals pay

Appendix 2 – Establishing Demand

Potential demand has been assessed from the following user groups:

a. Market Traders

- There will be a requirement to change behaviours, business practices, and develop technology skills in the transfer to the co-located market. Based on international comparators, including evidence from France and Australia, more progressive traders are likely to perform better at the new market. Businesses that see opportunity to grow and develop are likely to increase as a proportion of the businesses on site. It is expected that this will result in increased demand for training as well growth in opportunities for apprenticeships.
- Growth in number of traders and their staff (to c.2,500) will increase potential demand; at the three existing markets there is an annual staff turnover of 8%-9%, suggesting that there will circa. 200+ new staff at the market each year to be trained.
- Provision of training on site would increase the likelihood of take-up. One approach to ensure that this desired improvement in skills and business practice is achieved would be to mandate a certain level of training as part of traders' leases or including a training levy as part of the service charge.

b. Commerce and Industry

- On a macro scale, research published by the Food And Drink Federation ("FDF") identifies a "looming skills gap" in the food manufacturing sector and an aging workforce, which will result in the need for 140,000 new recruits by 2024. In addition to this, there remains uncertainty about the European Union workforce, which makes up 32% of the industry's skilled workforce. Many of the skills gaps in larger scale industry are around automation, technology and innovation.
- 35% of the BSTS activity is currently delivered to industry, which equates to over 150 courses each year. However, there is no recognised centre of excellence for food craft training and apprentices in London, something industry tells us there is demand for.
- Despite the apprenticeship reforms encouraging major employers to take training back in house to maximise the benefit from the apprenticeship levy, smaller scale businesses point to the considerable size of the market in London and the South East for workers and potential workers in smaller scale businesses such as butchers / fishmongers, wholesalers and catering kitchen staff to learn and maintain skills. While there is no data on, for example, the scale of this sector of the meat industry, representatives of both the National Craft Butchers and the British Meat Processing Association noted the lack of centre for this type of training in London and the home counties.
- Therefore, colocation of the markets with new training facilities provides a case for bringing together training in different trades. Bringing together demand for existing provision could develop new demand through breadth of offer.

c. Local and Regional SMEs and Start-Ups

- LBBD's *Every One. Every Day* programme aims to develop and nurture local entrepreneurs over the coming years and food represents a key potential area for growth. Anecdotal evidence from the programme so far suggests a lack of commercial kitchen space for the development of such businesses. This lack of provision is borne by research that suggests the recent boom in rentable commercial kitchen space in London has been concentrated within Zones 1 and 2 with limited supply east of Hackney and Tower Hamlets.
- Population growth and change in demographics will encourage small business, as has happened in Hackney and Newham in recent years.

d. Local Schools and Community Outreach

- There are around 40,000 pupils in all primary and secondary schools in LBBD. There is an active landscape of neighbourhood and community engagement in the borough, in part activated through the Council's *Every One. Every Day* programme.
- LBBD has identified food and food culture as subjects which can encourage healthy lifestyles and community cohesion as well as providing skills and learning which could lead to economic benefits.
- The BSTS has operated a successful and well-used programme of school and college engagement from its current home in LB Tower Hamlets, and is keen to replicate this model in LBBD. Currently, 57 courses over 286 hours are delivered to over 14,000 participants a year.

e. Private Training Provision: Leisure and 'Career Changers'

- Recreational training is an important part of the BSTS model, though in recent years BSTS's income in this area has fallen – partly because of increased competition. BSTS currently do not provide training for 'career changers' and they are exploring a more central venue for this activity. Analysis of providers in London shows how the size of the market (and therefore competition for consumers) has grown in recent years. The location of these competitors also supports the view that a central location with direct access to relatively affluent consumers is desirable (given prices for many day courses are in the £100-£200 per session).
- The demand for such activities in LBBD cannot be confidently asserted at this stage and it is not advisable to rely on this aspect of potential business to support the food school. That said, future demographic changes and the unique selling point of the wholesale market experience means that a potential future offer may be developed in the facilities.
- The continued success of the Greenwich Co-operative Development Agency, a Registered Society and Charity, which provides food based training and short courses as part of its mission to develop individuals and enterprises which promote healthy lifestyles and social benefit, demonstrates demand for such profitable activity.

f. Young People and Higher Education

- Future demographics predict an increase of over 2,000 young people per annum over the next 15 years in LBBD. The demand for skilled and semi-skilled workers as a result of the MCP will stimulate demand if good links are developed between the market, local SMEs and the local FE and HE providers.
- The view of existing providers of post-16 skills & education in LBBD is that the MCP creates an attractive proposition for them to expand and broaden their offer in the local area, building on current facilities and taking advantage of the new facilities that will become available. Both FE and HE providers see this as an opportunity to engage with industry, businesses, and SME's to develop pathways into employment and stimulate demand from the local area as regeneration begins to escalate.
- Barking Adult Education College also note that there is an opportunity through Adult Education to engage with key local demographics for whom the MCP could provide employment opportunities notably ex-plant workers (Male 50+ and 60+) and those seeking non-standard hours.

A large number of stakeholders were consulted as part of the research that has led to these demand assumptions and overall report conclusions, a summary of them is as follows:

- a. Staff from across the CoLC, including Community & Childrens Services, MCP, Markets & Consumer Protection;
- b. Staff at LBBD and BeFirst, including officers with responsibility for regeneration, education and training and young people;
- c. FE / HE providers such as Westminster Kingsway College, London South Bank University, Barking & Dagenham College, Waltham Forest College, University of West London, and Coventry University London;
- d. Private training providers, including Billingsgate Seafood Training School, MEAT Ipswich, Poultec;
- e. Other food sector stakeholders, including Food and Drink Qualifications Ltd, Professional Association for Catering Education, Fresh Produce Consortium, the Catering Association of Butchers, British Meat Processing Association, the Institute of Meat;
- f. Retail and SME workspace providers including Mercato Metropolitano and Mission Kitchen; and
- g. Centre for London.

It had been intended to consult with market traders/businesses, unfortunately this has not been possible due to Covid-19. However, these conversations have now begun, and information has been loaded onto the Tenant Portal on the MCP website. Regular MCP channels are being utilised to gain further insight into current provision and attitudes to training opportunities among traders.

Appendix 3 – Food School Logic Model

