

## Appendix 5

# **OLD FIRE STATION (OFS) PROJECT**

## **BUSINESS PLAN AND REVENUE SUB-GROUP**

### **Terms of Reference**

#### **1 INTRODUCTION**

This document sets out the terms of reference for the Business Plan and Revenue Sub-group – this being one of the sub-groups that makes up the OFS Project.

It is issued by the OFS Project Board and, as such, provides the definitive and authoritative statement of brief to the Sub-Group.

#### **2 BACKGROUND**

These terms of reference are to be agreed by the OFS Project Board at the first meeting of that Group.

#### **3 OBJECTIVES OF PROJECT**

The objectives of the Old Fire Station Project are as follows:

- Develop the Old Fire Station in line with the vision set out in the “Places of Change Grants” report agreed by City Executive Board on 23<sup>rd</sup> June.
- Deliver a redeveloped Old Fire Station with services, activities and uses that will:
  - Meet targets for Places of Change Programme, as set by central government.
  - Meet relevant targets for Oxfordshire’s Local Area Agreement targets.
  - Meet relevant targets in Oxford City Council’s Homelessness Strategy and Arts Strategy
  - Work to provide settled and stable communities
- Improve the efficiency, effectiveness and value for money of the City’s homelessness and arts services.
- Enable all to actively participate in the redevelopment of the Old Fire Station
- Be successfully completed, within budget, by 31<sup>st</sup> March 2011, with all risks associated with the project successfully assessed, monitored and managed.

#### **4 PURPOSE OF THE SUB-GROUP**

The overall purpose of this sub-group is to identify a sustainable business plan for the Old Fire Station with identified core revenue sources that will support the delivery of the project objectives

## **5 SCOPE OF SUB-GROUP**

The business plan and revenue sub-group will concern itself with:

- The right mix of activities that will operate out of the Old Fire Station
- The headline costs of operating such activities and the building
- Assessing the feasibility and sustainability of revenue funding such activities
- Identifying revenue funding sources

This sub group will look into staffing plans and issues around management of the building only to the extent of understanding the headline costs of activities and their impact on funding; further detailed plans, the governance and management structure and service specifications will be produced once the activities and core revenue sources are known.

## **6 OBJECTIVES OF GROUP**

The revenue sub-group will address all issues related to the revenue budget needed to fund all the activities that will run from the Old Fire Station.

This sub-group will be responsible for:

- Identifying and prioritising activities that will run from the Old Fire Station, by using information gathered during the consultation process and through needs led analysis.
- Developing a costed business plan that outlines the required revenue contribution to deliver such a mix of activities and services. This includes identifying costs for the development of the social enterprise café.
- Identifying revenue sources for key homelessness related activities from the City Council's homelessness grant budget.
- Identifying revenue sources for key arts related activities from the City Council's arts grants budget.
- Identifying other sources of funding that could fund either homelessness and/or arts based activities.
- Establishing Crisis' contribution towards the revenue costs.
- Identifying any activities that do not have a revenue budget that will need to be fundraised for, sourced externally or cross subsidised.
- Identifying sources of income for the rental of office space and other spaces within the building.

- Identifying key areas of partnership working in relation to these issues
- Identifying consequences of major changes to budgets.

## **7 DELIVERABLES**

- Identify and quantify core revenue needed to run building, and where from
- Prioritise activities with attached revenue profile
- Where there are gaps in funding, identify sources of funding to be targeted
- Develop a fundraising strategy to meet further need.

## **8 REPORTING AND REVIEW ARRANGEMENTS**

The Sub-group Group will meet at least monthly

The Sub-group will report formally to each meeting of the Project Board.

The Chair of the Sub-group will report to the Project Board. S/he will also check progress against plan on a fortnightly basis

In monitoring progress against plan, the Project Manager will be responsible for identifying any issues that are jeopardising achievement of the plan, and facilitating the resolution of these, involving the Project Board as necessary

## **9 MEMBERSHIP**

Ideally this group should include the following:

- Nerys Parry, Rough Sleeping and Single Homelessness Manager, OCC
- Laura Worsfold, Arts (Strategic Development) Officer, OCC
- Chris Clements, Crisis New Developments Manager
- Jacqui Ibboston, Oxford Inspires

The Sub-group has the authority to delegate specific activity within the sub-project to other groups but retains the responsibility to the Project Board for the timely and appropriate completion of this activity

Terms of Reference agreed by OFS Project Board: 5<sup>th</sup> September 2008.

## **Appendix 6**

### **A Business Case for the Development of the Old Fire Station (OFS).**

#### **Background**

1. Following a successful bid to Communities and Local Government's Places of Change Programme in November 2007, a capital allocation of £2,182,393 was awarded to Oxford City Council and Crisis to redevelop the Old Fire Station.

2. The redevelopment presents a one-off opportunity to create a high quality community resource which will retain and develop a performance (theatre, dance and music) and visual arts space, a social enterprise café, with a Crisis Skylight at the heart of the project along with cutting edge artistic and creative enterprise in the West End of the City. All aspects of the building will be interconnected.

3. The benefits to the City Council are wide-ranging in terms of the proposed development of the OFS. These include:-

#### **Investment**

4. The OFS building is owned by the City Council and this external capital grant will significantly improve the City Council's asset. In return, the City Council is expected to offer the building as the match-funding element of the PCP bid in recognition of the extensive refurbishment work that will be done and the strategic delivery.

#### **Transforming lives**

5. Crisis Skylight exists to inspire and support people to progress. It has been recognised as best practice by government in helping homeless and vulnerable adults transform their lives. Their commitment to work in partnership and enhance the City's provision with their profile, services and revenue generating ability should be welcomed by the Council.

6. Crisis will provide workshops that will engage and inspire people to develop new skills, together with accredited training which will actively support the priorities in Oxfordshire's Local Area Agreements around increasing the numbers of working age adults qualified to level 2 and 3 and number of vulnerable adults moving on to independent living and reducing the numbers on out of work benefit.

#### **A cutting edge cultural hub**

7. Culture has the power to change lives and raise aspirations. It has an intrinsic value to communities, bringing people together in shared experience, strengthening community bonds and making a major contribution to the quality of life.

8. This development will create a cultural beacon at the heart of the city centre, enhancing provision and providing a resource that leads people to become involved in arts and cultural activity. It will also provide some working spaces for the creation of arts, meeting a key need for Oxford.

#### **Regenerating the West End**

9. Such a flagship project within the West End will provide a catalyst for the regeneration of Gloucester Green. In doing so, it will support the West End Area

Action Plan, in particular its commitment to provide a vibrant cultural, leisure and visitor facility, will have a wide appeal and will meet the needs of hidden communities.

### **Contributing to economic development**

10. The OFS can deliver substantial benefits for the economic development of the area. It is for this reason the project enjoys support from a number of bodies, including the Learning & Skills Council, Oxfordshire County Council and the Oxfordshire Economic Partnership. The skills development and employment support on offer will directly contribute to growth in the area, with people supported into local employment options.

### **Project Definition**

#### **Project Objectives**

11. The main objectives against which the project will deliver are those set down in the Places of Changes Programme:

- To increase the number of clients positively moving on to independent or more appropriate supported accommodation and
- To increase the number of clients moving into education and employment.

12. The project will also:-

- Meet relevant targets for Oxfordshire's Local Area Agreement indicators
- Meet relevant targets in Oxford City Council's Homelessness and Arts Strategies.
- Work to provide settled and stable communities.
- Improve the efficiency, effectiveness and value for money of the City's homelessness and arts services in relation to this project
- Enable all to actively participate in the redevelopment of OFS

### **Project Scope**

13. The OFS will be a busy, active space in the heart of the city, with activities taking place through the day and evening, throughout the year. It will play host to a range of arts and learning activities, with spaces for large and small-scale performance, rehearsals, music, dance, visual arts and professional development.

14. It is envisaged that the ground floor will largely be a "public space", fronted by a busy social enterprise café. A social enterprise business will operate various distinct spaces for use and hire for rehearsals, classes, visual arts and performances, alongside affordable creative workspace. A Crisis Skylight centre will be at the heart of the centre, located predominantly at the first and second floor. Office space will be let to like-minded organisations on the third floor.

15. It is proposed to essentially divide the building into two areas for management purposes.

- a) Crisis Skylight on the first and second floors, with a separate reception on the ground floor level
- b) Public Spaces on the majority of the ground floor consisting of
  - i. Social Enterprise Café
  - ii. Social Enterprise Hire Business

16. Crisis will operate and manage the Skylight centre spaces, maintaining a staff team that is suitable to ensure the safe running of their work and without impacting on the other uses in the building.

17. With respect to the public spaces, Crisis will lead on the development of the café, potentially working with Aspire.

18. More generally, the ground floor spaces available for performance, rehearsal, visual arts and creative workspaces (music studios, digital suite) will be operated as a social enterprise, described in this business plan as "Social Enterprise Hire Business". The core elements are described below and either Crisis, Aspire or another party could take on this role with support from local partners and following further consultation and feasibility work.

19. There are also possibilities to links to the open space of Gloucester Green.

### **Crisis Skylight**

20. Crisis will offer a wide range of activities, learning and support to homeless people, or anyone who wants to learn new skills. This will include both accredited, basic skills training, and non-accredited informal learning in the form of workshops in music, creative and visual arts and vocational areas. Part of the Crisis Skylight service will include information, advice & guidance on how to progress vocationally, with practical support offered to ensure people can move on.

21. The Crisis Skylight centre within the OFS will likely consist of:

- Art room
  - o Regular classes held within the space, with free access at other times when Skylight is open
- IT room
  - o Both accredited learning and familiarization classes held regularly, with free access at other times when Skylight is open.
  - o Also used for job search & CV writing
- 2 x flexible training rooms
  - o Flexible use as either classroom style spaces, meeting spaces, or for clean/dry workshops
  - o Accredited training in literacy, numeracy, personal development and vocational skills (H&S, food safety etc.)
  - o Job clubs, creative writing classes or other support
- Dance & exercise studio
  - o Regular programme of dance and physical activities
  - o Space also available for hire via Social Enterprise business at pre-determined times
  - o It is hoped to include limited changing facilities
- Dirty workshop space
  - o Located in the basement, with space for practical workshops such as bike maintenance
- Music rehearsal space
  - o Practice space, suitable for music classes and groups
- At least 3 x 1:1 meeting rooms

- Resources to support people into further education, training and employment

22. Crisis will staff and operate the Crisis Skylight centre. They envisage a staff team of approximately 14 people, including management, receptionists, progression co-ordinators and tutors for the accredited learning. In addition Crisis will employ sessional tutors to lead specific workshops, and will use a wide range of volunteers.

23. Below is an indicative expenditure budget for Crisis Skylight.

	<b>Skylight Oxford</b>
Salaries, pension & locum costs	£370,000
Staff related costs	£12,000
Tutors for workshops	£42,000
Volunteers - Recruitment, expenses and associated costs	£5,000
Members - Expenses, travel, incentives	£4,000
Accreditation & registration fees	£5,000
Workshop materials	£20,000
Utilities, including phone & internet	£30,000
Stationary, postage, photocopying & printing	£15,000
Cleaning	£20,000
Equipment & IT	£10,000
Rent & rates	10,000
On costs	<u>£77,000</u>
	£620,000

24. Oxford City Council have agreed to contribute at least £50,000 from their homeless grant budget to support the core costs of the work of Crisis in OFS (although this will be subject to the normal procurements).

25. Crisis will fundraise for the balance of the costs of running the Crisis Skylight centre, contributing at least £500,000 annually.

### **Social Enterprise Café**

26. A social enterprise café will help the building become an active part of the community. It will open during the daytime and will service a basic selection of hot and cold food and drinks. It is envisaged it will front onto Gloucester Green, taking up just under half the existing nightclub space on the ground floor with an opportunity for outdoor seating.

27. It will be run as a training project aimed at formerly homeless people, providing trainees with opportunities to develop customer services and catering experience and will look to place people directly into work.

28. Crisis currently operates two successful social enterprise cafes (one in London and one in Newcastle) under the branding of 'Skylight Café' and both run along similar lines. The exact business model in terms of the USP will only be decided nearer opening, once a full market analysis has been completed. The ongoing economic uncertainty will mean the competitive market place may look significantly different in early 2011, and the project will look to respond appropriately to take full

advantage. It is likely that the business will be marketed around its social and ethical roots, and reflect the artistic nature of the wider uses which surrounds it. The Project Board will look to take expert advice in the coming months to ensure the right USP and business angle can be found to make this part of the project a business success.

29. Crisis is currently in discussions with Aspire Oxfordshire about potentially partnering on the running of such a café. Having examined the financial figures of the current Crisis cafes both are confident that a viable social enterprise café business can be made to work in OFS.

30. As a guide cost, Crisis Newcastle's Skylight Café has costs of approximately £150k annually, operating on a model that provides 3 hot meals, a range of cold food and snacks and hot drinks, and uses up to 6 trainees working for the café at any one time. We envisage a similar scale operation at OFS, which would require a take of £2,800 a week. Nevertheless, were there initial operating losses during the start-up period, these would be met by Crisis.

31. The café can be run reasonably independently from the wider activity within the building, although there is also potential to integrate activities. The café would look to provide food for daytime events in the wider building, and the same space could be used to support evening events. The café would look to potentially build on support from the business community.

32. Attached in Appendix 7 is the original Business Plan for the café submitted as part of the Places of Change bid.

### **Social Enterprise Hire Business**

33. The Social Enterprise Hire Business will operate all 'for hire' spaces, marketing them for use by arts & cultural organisations, students, community groups and local businesses.

34. All arts related activity will therefore be facilitated through this business, whose purpose will be to market and manage the spaces to make them active places serving a range of art forms in Oxford. The spaces for hire will require branding under a common name, for example 'The Old Fire Station'. Office space would be made available for use by this business within the building, most likely on the second floor.

35. In addition, the business itself will serve as a training project, working with homeless people, developing and strengthening trainees administrative and technical abilities around arts management. On the basis of the initial business planning work, both Crisis and Aspire are interested in potentially running this Social Enterprise Hire Business. They are jointly commissioning a full feasibility study on this Social Enterprise Hire Business, to develop the detailed model that is deliverable.

36. Initial business planning on this hire business has been carried out, with income and expenditure forecasts detailed below. An experienced arts development consultant has carried out an initial review of the business plan and has reported he believes this is a viable model.



## Spaces and Potential Hire Uses

### **37. Theatre Space**

- Approximately a 150 seat theatre, normally end on, but able to be flexibly arranged
- Potential for moveable seating can be stored/recessed during the daytime, creating more open plan space
- 3 dressing rooms (2 en-suite), plus showers & toilets associated with theatre space in the basement.

#### Evening / weekends use:

- Continue the existing standing agreements with universities over use of space for student dramatic productions.
- Out of term time hired to community groups and aspiring/new producing companies, again in line with existing usage

#### Day time use:

- Hired as meeting space for conferences, exhibitions etc., aimed primarily at businesses.

### **38. Ground Floor Space in Existing Nightclub**

- This is envisaged for the area adjacent to the café, and is approximately 1000 sqft. It has windows to George Street and the potential for skylights to provide additional light.
- Proposal is to make it flexible spaces for a variety of daytime uses, and turned into a small-scale performance venue in the evening.

#### Evening use:

- Flexible demountable stage, small scale PA system
- Moveable seating – tables and chairs, to be typically arranged in a bistro/cabaret style, to seat around 70 people
- Hire to small scale music, poetry, comedy; particularly on Thurs-Sat evenings

#### Daytime use:

- Arts related activity, for example:
  - Arts & crafts events (e.g. monthly fair)
  - Limited visual arts exhibitions
  - Christmas market
  - Links to special events (e.g. literacy festival, arts weeks)
  - Potential for a daytime information point / box office for city wide arts.

### **39. Bar**

- Exists to service the theatre and performing space in the evenings.
- Exact location to be determined. Could be co-located with café, although more likely to be stand-alone. Ideally it will be able to serve both the theatre and performing space independently.
- Can potentially provide conferences etc. with drinks.

### **40. Meeting/Rehearsal Room**

- c.500sq ft of flexible space on ground floor, suitable for rehearsals, classes, meetings and other community uses.

- Potential use by community groups and students for music & rehearsals, social evenings, adult learning classes – either daytime, evening or weekend.
- Also potentially used during the daytime by local businesses as room hire / breakout space.

#### **41. Creative/Workspace/Studio**

- Up to 600 sq ft of good quality workspace, available at affordable rates to support local artists and/or creative industries.
- There are different options for how this space is arranged, with the potential for 3 or 4 smaller studios/workspaces, or more open place space.

#### **42. Office Space**

Approx 500 sq ft of office space available to hire on third floor would be let to likeminded organisations, to complement other uses within the building.

#### **43. Crisis Skylight Spaces for agreed Community Use**

- Whilst spaces within Crisis Skylight will normally be programmed and managed by Crisis, an agreement can be made between Crisis and the Social Enterprise Hire Business to set aside certain rooms at set times, to generate rental income for the Social Enterprise Hire Business.
- Exact amount of time still to be negotiated, but activity will focus around the dance studio and the music rehearsal room.

#### **Other potential income**

44. In addition to these spaces and uses, there is also the potential for some limited work with schools for use of spaces. Whilst this needs to be explored further, there is clear potential for collaboration.

45. The City Council have indicated there is £5,000 available from their arts budgets to support the arts related activity in the OFS.

46. Oxford University, via the Cameron Mackintosh Foundation, currently support Live Nation with around £8,500 to support the cost of the technician in the OFS. Given we are proposing significant student usage going forward, it is reasonable to expect a continued contribution in some form. Initial discussions with Oxford University have been positive, although they have indicated they are looking to reduce their financial commitment. The projections therefore reduce a suggested contribution to £5,000, although this contribution still needs to be negotiated.

47. There is potential for corporate sponsorship to support the social enterprise, as this will be a high profile, interesting social business. A very limited amount of corporate support has therefore been assumed in the below income figures. In addition there will be limited opportunities for advertising within the activities of the business – for example through the brochure.

48. Trust funding and other grant income, including from the Arts Council. The Social Enterprise Hire Business is potentially a very attractive proposition to funders, given its dual aims of promoting arts through affordable, quality spaces and training and developing marginalized people. In addition, the spaces have potential to attract project funding for activities to be run within the building, which in turn can contribute

to the building through cost recovery. The below income projections therefore assume a very modest £10,000 of fundraised income. It is recognized that time will need to be spent by the staff team in generating these funds.

#### 49. Social Enterprise Hire Business - Income Forecasts

Space within building	Size (approx. sq ft)	Indicative Proposed Usage	Income / year
Theatre	2,300	Evening hire for theatrical performances <i>Assumes 42 weeks a year</i>	£45,000
	2,300	Daytime hire as meeting / conference space <i>Assumes c.1.5 days a week</i>	£19,750
Ground floor space adjacent to café	1,750	Evening hire for small scale music and performances <i>Assumes c.1.5 evenings a week</i>	£6,000
	1,750	Daytime hire for arts, crafts and community use <i>Assumes c.£160 a week</i>	£8,100
Bar, located on Ground floor, location tbc	Tbc	To support theatre and other evening performances	£20,000 (profit, not turnover)
Office space, predominantly on 2 <sup>nd</sup> and 3 <sup>rd</sup> floor	500	Medium – long term lets to like minded organizations	£12,500
Ground floor facing coach station	600	Affordable creative workspace or studios	£5,400
	450	Meeting /rehearsal room <i>Assumes 1.75 days a week</i>	£9,025
Various Crisis Skylight rooms	Various	Hire of dance studio and music rehearsal room to community groups <i>Assumes around 15 hrs of each a week</i>	£22,625
Schools work	Various		£2,000
		Total Hire Income	£150,400
<u>Other potential income</u>			
Local authority			£5,000
University support			£5,000
Local sponsorship / companies			£3,500
Advertising			£500
Trust or other fundraised income (e.g. Arts Council)			£12,200
		Total Additional Income	£26,200
		<b>TOTAL INCOME</b>	<b>£176,600</b>

50. It should be noted that the spaces and their proposed uses are indicative, and that the full design process, led by architects, will allow a full special planning exercise to maximise the usability (and hence income) of the spaces.

## 51. Social Enterprise Hire Business - Expenditure Forecasts

<b>Staffing and related</b>		Salary p.a.	Cost (inc NI)	
	Centre Manager FT	£30,000	£33,600	
	Administrator PT 0.5	£22,500	£12,600	
	Technician – PT 0.75	£25,000	£21,000	
	Trainee (1) FT	£10,250	£11,480	
	Trainee (2) PT 0.5	£10,250	£5,740	
	Trainee (3) PT 0.5	£10,250	£5,740	
	Casual staff		£5,000	
	Training & recruitment		£500	
				£95,660
<b>Direct costs</b>				
	Marketing materials		£10,000	
	Box Office costs		£3,000	
	Hospitality		£500	
	Phone & IT		£2,000	
	Photocopying		£500	
	Postage		£2,000	
	Stationary		£2,000	
	General expenditure		£5,000	
				£25,000
<b>Services</b>				
	Electricity		£15,000	
	Gas		£2,500	
	Water		£2,500	
				£20,000
<b>Rent/Rates</b>				
	Rent – (proportion of turnover) – level tbc		£0	
	Rates (proportion of total)		£3,000	
				£3,000
<b>Overheads</b>				
	Council licenses		£1,500	
	PRS license		£1,500	
	Insurance		£4,000	
	Equipment maintenance/replacement		£3,000	
	Cleaning		£5,000	
	Refuse		£1,000	
	Audit & Legal		£2,000	
				£12,500
<b>Building</b>				
	Contribution to building insurance		£2,500	
	Contribution to leaseholder building maintenance		£2,500	
				£5,000
<b>Contingency</b>				£10,000
		<b>TOTAL EXPENDITURE</b>		<b>£176,600</b>

### **Partnership Working and Governance of OFS**

52. Crisis will work together with any other organisation involved in directly running the social enterprise element on governance for the building. One of the attractions of this proposed business model is that it keeps governance arrangements simple and easy to manage.

53. More generally, there is a key role for partnership working in delivering the elements of this business plan. The Social Enterprise Hire Business in particular will require close working with Oxford City Council's strategic arts partners so that proposed spaces are both designed effectively to be the most attractive spaces possible, and that they are taken up by the identified client group. It is recognized that the body running this social enterprise may not have a track record in running arts spaces, hence practical support in this area will be invaluable.

### **Constraints**

54. Further detailed costings associated with the business plan can only be done once the formal design process is underway, as the layout of the building and how it operates in practice will be a key driver in understanding the associated income and expenditure. We believe the work to date on business planning provides sufficient security to move forward with the design phase of the project to allow this more detailed work to be carried out.

### **Independent Review**

55. This business plan has been examined by Brian Harris, an independent experts arts consultant in December 2008. He concluded that:

- He supported the approach taken given the lack of public subsidy available to support the arts elements
- He felt the income and expenditure projections to be realistic and conservative
- whilst further work is required to develop the business model to the next stage, and hence confirm the likely levels of income, the outline business case represents a very strong case at this stage in the development.

### **Risk and Uncertainties**

56. Please see Appendix 8 for the Project's risk matrix.

Appendix 7

# **SKYLIGHT CAFÉ OXFORD**

## **BUSINESS PLAN**

January 2008

Crisis & Aspire working in partnership

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## **Introduction**

The Skylight Café will be part of a larger project in Oxford: Crisis Skylight, housed in the Old Fire Station in central Oxford. Crisis Skylight is a learning and activity centre, where homeless and non homeless people can take part in practical and creative workshops together. Its objectives are:

- To offer homeless people hope and purpose in their lives
- To build skills and learning
- To build social capital

These objectives are achieved through three programmes of workshops: engagement (open access sessions in around 40 different subjects), education (accredited courses leading to around 10 different qualifications) and employment (a combination of vocational training courses, one-off workshops and action planning leading to qualifications, work, and placements in social enterprises).

Social enterprises will form a very important part of the employment programme, developed through a partnership between Crisis and Aspire. Aspire have successfully operated social enterprises in the Oxford area and bring both a range of established partnerships and local market knowledge. Crisis bring the learning from operating their successful Skylight Cafés in London and Newcastle, which will be adapted to suit the local market in Oxford.

## **Why Social Enterprise?**

In July 2002, the Government published its first Social Enterprise Strategy, sharpening the focus on the social enterprise component within its wider regeneration policy. This publication recognises the contribution that the social economy can make to job creation, the social inclusion agenda, delivery of local services and local wealth creation.

Social enterprises offer a positive external face in their neighbourhoods, encouraging interaction between homeless and non-homeless people. Together, we understand the importance of social businesses bringing people and communities together for economic development and social gain. The social enterprises Crisis and Aspire develop will be flourishing, energetic catalysts for social and economic regeneration in their local communities.

At the heart of Crisis and Aspire's work is the desire to empower homeless people to develop the skills and capacity to reintegrate into society and leave homelessness behind for good. Work is an important part of most people's lives, giving a sense of purpose, allowing people to make a contribution to society and providing people with the money they need to maintain a basic standard of living and ultimately lead full and satisfying lives.

A recent research report commissioned by Crisis with Opinion Leader Research, 'Homeless people and learning & skills: participation, barriers and progression,' has some very useful findings to guide our work in this area.



*'Only one in six (15 per cent) homeless people were in employment of any description.'*

This compares with 74.6% of the working age population as a whole. Whilst, of course, many homeless people described themselves as on benefits, over half self-described as unemployed. The figures for the length of unemployment are also concerning:

- Nearly six in ten (57 per cent) homeless people have been unemployed for more than three years.
- Over a quarter (27 per cent) of homeless people had been unemployed for more than ten years.

Social enterprises can be used to provide supported personalised training in a real work environment. This is important for our client group for several reasons, which are outlined below.

Work experience is important for anyone trying to enter or re-enter the employment market, it allows people to provide references for jobs, build up a convincing curriculum vitae, use real examples for evidence based questions in interviews, have confidence in their abilities and develop the skills needed for work. It is particularly important to our client group, many of whom, as shown by the statistics from the research above, have been out of the labour market for a significant amount of time. We know that homelessness de-skills people and causes them to lose self-confidence. Many homeless people also lead fairly chaotic lives and need time to get used to structures and patterns of behaviour that are considered 'normal' in the workplace.

Both Crisis and Aspire strongly believe in progression as an aim for all. Our definition of progression is broad and we recognise that for some they start their individual journey a long way from being work ready. However, it should be possible for people to follow a route through our learning based programmes towards an employment outcome. Providing people with tangible goals, such as employment, as a focus can be extremely motivating; the OLR research also highlighted the importance of this. It cites one of the three key reasons that some people were not interested in training/educational activities as a lack of perceived useful outcomes. It also states:

*The main benefit homeless people felt would result from taking part in an educational / training course was being able to get work. Qualitative findings reveal that many homeless people perceive getting work as a key stepping stone on the road to getting out of homelessness.*

In order to achieve vocational qualifications, people need to demonstrate practical evidence of their skills from work experience. Social enterprises allow us to provide a greater choice of types of work for people.

Finally, the OLR research showed that the voluntary sector is the preferred deliverer of training for homeless people, with 87% of people rating training

provided by this sector as good compared with only 63% for Jobcentre Plus. The reasons for this were as follows:

- They understand what courses homeless people want/need
- They have staff who are supportive and understand the issues facing homeless people
- The learning environment is more informal and less rigid than other providers

In conclusion, social enterprise has an important role to play in the provision of training and employment opportunities for homeless people. It should not, of course, be seen in isolation, but rather provided as part of a continuum of programmes on offer to people in order for them to develop their skills and move into work. We recognise that for social enterprise to be successful, the underlying business needs to be successful – the ‘enterprise’ part is as important as the ‘social’ aspect in delivering sustainable outcomes.

### **Lessons learned from Skylight Café London and Skylight Café Newcastle**

#### Background

The first Skylight Café opening in London on August 9th 2004 with the twin aims of being both a successful business and a training project providing a route into employment for people who have experienced homelessness. After an initial false start in the form of a partnership with the Camden Society that was terminated after clear differences in ethos were identified, the Café built on sizable input from Prêt à Manger to develop its operational and training models along Prêt lines. This ensured a commitment to quality of product and service as well as a hands-on approach to coaching and trainee development.

The Skylight Café in London has been a commercial success, moving quickly to breakeven and achieving its social objectives. The Skylight Café in Newcastle opened in July 2007, and is fast on the way to replicating that success. It is currently ahead of its business targets for the first year, and it is establishing itself as a firm favourite of the office workers in the surrounding area.

#### Lesson 1: Success of the training package

The Skylight Café London has tried several different approaches to training over the last three years and has now developed its own training programme, which combines person-centred soft skills development with vocational on-the-job training. There is accreditation available for both elements. In a recent external review of the Café by KPMG, the training programme was highlighted as a particular strength, particularly in its ability to progress homeless people on, especially into employment. In 2006 twenty-three homeless people had moved on from the Café into paid employment and over fifty others had worked in the Café, improving their basic skills and employability, with several going on to further education and training. This successful training package should be replicated in future Skylight Cafés.

#### **Lesson 2: Trainees need lots of support**

This was a lesson learnt quickly, and is the key reason for the success of the training package. Staffing levels were changed in the Skylight Café London in order to provide the support needed to trainees to help them progress, with an assistant manager taken on to allow the manager more time to work with trainees on their development needs. This additional support puts a strain on the business, and means staffing costs are higher than a 'standard' café. In response the Skylight Cafés in both London and Newcastle now split out their financial data to allow analysis of the true costs of proving the training and of running the business.

### **Lesson 3: Broader menus work better**

The Pret model with which the Skylight Café was established worked well, but the Skylight Café in London only truly started to thrive when hot food was introduced and developed. Given the high quality space, customers appreciate being able to sit and enjoy a hot meal, rather than simply quickly eating a sandwich or having a rushed coffee and leaving. Helpfully, preparing and serving hot food also provides a more rounded training experience for the homeless people serving as trainees.

Consequently, the Skylight Café in Newcastle has served a range of hot food from inception, with waiter service further adding to the feel that it is more than just a sandwich and coffee shop.

### **Oxford Market Analysis**

#### Location

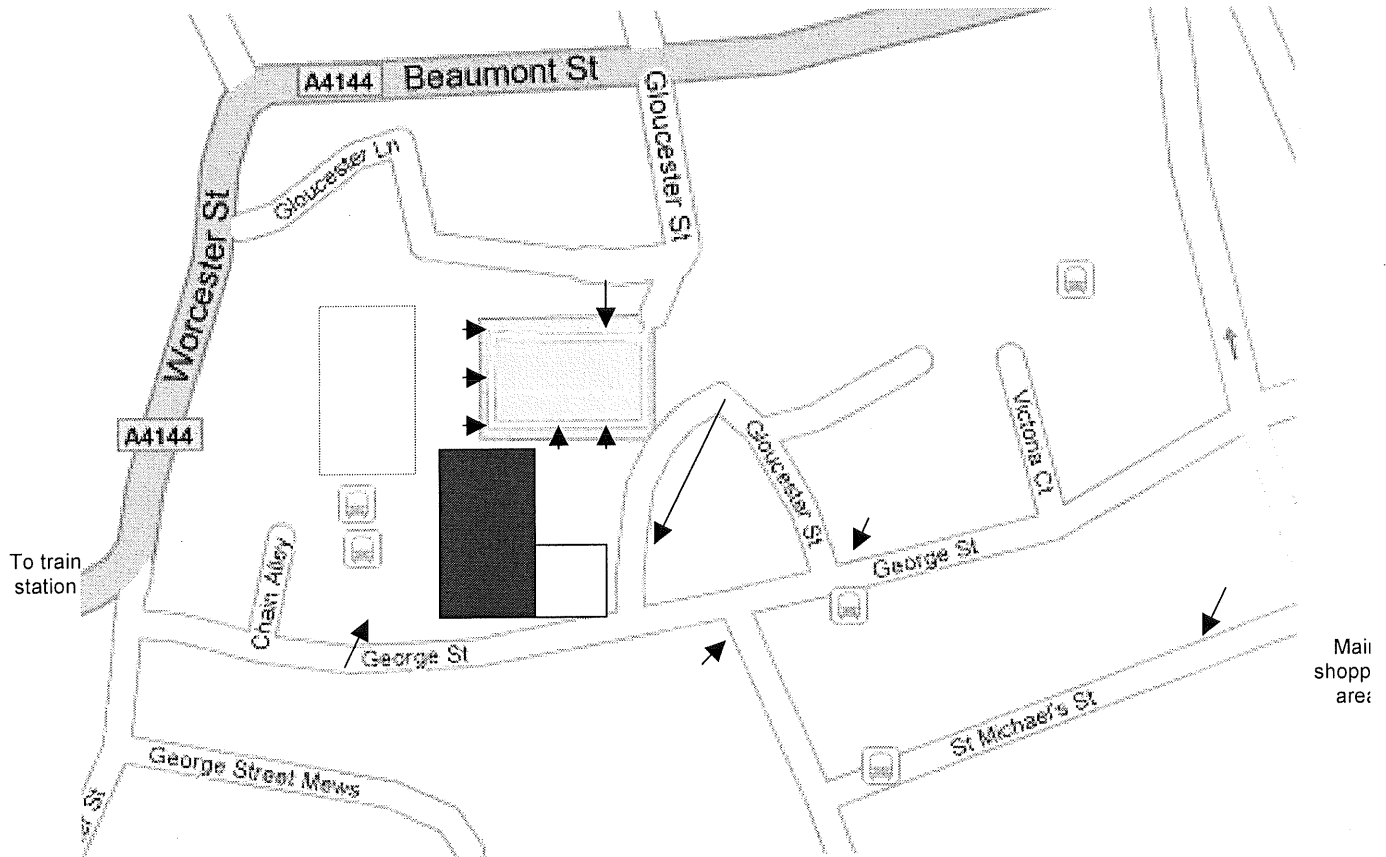
The Old Fire Station faces George Street and backs onto Gloucester Green.

George Street is a busy road lined with predominantly leisure businesses. In addition to the theatre at the Old Fire Station, it houses the largest theatre in Oxford – The New Theatre, a large Odeon multiplex cinema, 10 restaurants and 7 bars. Its traffic is largely buses and taxis, and it serves as one of two main pedestrian routes from the city centre to the train station (which is 5 minutes walk further on). Whilst a café business could function on this side of the Old Fire Station building, the Gloucester Green frontage would be more suitable for a café.

Gloucester Green is a pedestrianised square that houses three weekly markets, and a number of shops, restaurants and cafes. Immediately adjacent to the square is the city's busy coach station, with 24hr services to London and beyond. The Old Fire Station sits on the corner next to the main thoroughfare to the coach station, making it ideally placed to capitalise on this passing trade.

Gloucester Green has been the target of regeneration efforts by the Council in recent years, with the quality of the space much improved. Adjoining the Old Fire Station and forming the east side of the square, the Odeon cinema is earmarked for a significant redevelopment to further regenerate the area, opening up the square to the nearby busy George Street. These developments will further improve the location for a café type business, and

support the wider work of Crisis Skylight in integrating with the local community.



### Competitor analysis

Potential competitors to a café have been divided in three geographical areas. All businesses below are marked on the above map.

#### 1. Gloucester Green and immediate surrounds

The immediate vicinity in Gloucester Green square provides 4 direct competitors, and 3 indirect competitors. Direct competitors are categorised as those whose core offer includes hot drinks; indirect competitors are those whose offer includes snack options targeted at a non-evening meal clientele.

Direct competitors:

Name	Type of business & core products	Strengths	Weaknesses
Café Nero	<ul style="list-style-type: none"> <li>Quality coffees</li> <li>Premium cold drinks</li> <li>Limited range of</li> </ul>	<ul style="list-style-type: none"> <li>Entrances directly onto both square and coach</li> </ul>	<ul style="list-style-type: none"> <li>“Corporate” feel</li> <li>Expensive</li> </ul>

	<p>expensive sandwich &amp; cakes</p> <ul style="list-style-type: none"> <li>• Average quality seating</li> <li>• WIFI available</li> </ul>	<p>station</p> <ul style="list-style-type: none"> <li>• National brand recognition and association for quality</li> </ul>	
Harveys	<ul style="list-style-type: none"> <li>• Wide range of sandwiches &amp; baguettes made to order</li> <li>• Ready made sandwiches also available</li> <li>• Soup of the day</li> <li>• Standard range of hot &amp; cold drinks</li> <li>• Predominantly take away; limited seating</li> </ul>	<ul style="list-style-type: none"> <li>• Entrances directly onto both square and coach station</li> <li>• Adjacent to busy passage to coach station</li> <li>• Known locally for quality sandwiches</li> </ul>	<ul style="list-style-type: none"> <li>• Limited product range beyond sandwiches</li> <li>• Functional feel to seating</li> </ul>
Combibas Coffee	<ul style="list-style-type: none"> <li>• Quality coffees, paninis &amp; sandwiches, plus range of cakes</li> <li>• Stylish layout</li> <li>• WIFI available</li> </ul>	<ul style="list-style-type: none"> <li>• Strong independent feel</li> <li>• Pleasant place to spend time</li> </ul>	<ul style="list-style-type: none"> <li>• Expensive</li> <li>• Poorer location at less busy side of square</li> <li>• Too similar business model to Café Nero next door?</li> </ul>
Café La Baguette Bar	<ul style="list-style-type: none"> <li>• Range of hot dishes (breakfasts, pasta, steaks, baked potatoes) in addition to sandwiches, ciabattas, paninis &amp; snacks</li> <li>• Reasonable amount of functional seating</li> </ul>	<ul style="list-style-type: none"> <li>• Wide range of food options</li> </ul>	<ul style="list-style-type: none"> <li>• Too wide a range of food? Perceived poor quality</li> <li>• Less favourable location next to taxi rank and Kebab Kid, away from coach station</li> </ul>

Indirect competitors

Name	Type of business & core products	Strengths	Weaknesses
Noodle	<ul style="list-style-type: none"> <li>• Japanese</li> </ul>	<ul style="list-style-type: none"> <li>• Affordable</li> </ul>	<ul style="list-style-type: none"> <li>• Limited appeal</li> </ul>

Bar	noodle bar with shared tables	<ul style="list-style-type: none"> <li>pricing at £5 for main dish</li> <li>Fast turnaround of customers</li> </ul>	<ul style="list-style-type: none"> <li>of menu</li> <li>Communal seating not relaxing environment</li> </ul>
Brava hut	<ul style="list-style-type: none"> <li>Wooden semi-permanent hut in the square offering standard fried chicken fare</li> <li>Outdoors, no seating</li> </ul>	<ul style="list-style-type: none"> <li>Quick service</li> <li>Only chicken shop in immediate area</li> </ul>	<ul style="list-style-type: none"> <li>Slightly garish signage; looks like a cheap chicken shop</li> <li>Takeaway only - nowhere to sit down</li> </ul>
Med hut	<ul style="list-style-type: none"> <li>Wooden semi-permanent hut in the square offering falafel, homous and shwarma</li> <li>Outdoors, no seating</li> </ul>	<ul style="list-style-type: none"> <li>Quick service</li> <li>Healthier than chicken hut next door</li> </ul>	<ul style="list-style-type: none"> <li>Takeaway only - nowhere to sit down</li> </ul>

## 2. George Street

Whilst geographically separate, George Street competitors lie between the Old Fire Station and the main shopping areas of Oxford (Cornmarket, Clarington Centre, Westgate Centre). They are more likely to pick up the drop-in shopping trade.

Direct competitors:

Name	Type of business & core products	Strengths	Weaknesses
Coffee Republic	<ul style="list-style-type: none"> <li>Standard chain coffee house</li> <li>Seating of average quality</li> </ul>	<ul style="list-style-type: none"> <li>Pleasant environment</li> <li>Slightly cheaper than other chain coffee houses</li> </ul>	<ul style="list-style-type: none"> <li>American "corporate" feel</li> </ul>
La Croissanterie	<ul style="list-style-type: none"> <li>Sandwiches, cakes and savoury snacks</li> <li>Limited seating</li> </ul>	<ul style="list-style-type: none"> <li>Quick and easy food option – fast service</li> </ul>	<ul style="list-style-type: none"> <li>Take away feel to café, with uncomfortable stools</li> </ul>
Le Parisien	<ul style="list-style-type: none"> <li>French themed takeaway snack bar</li> <li>Made to order</li> </ul>	<ul style="list-style-type: none"> <li>Good cakes</li> </ul>	<ul style="list-style-type: none"> <li>Very small</li> <li>No strong distinguishing features-</li> </ul>

	sandwiches <ul style="list-style-type: none"> <li>Limited hot food options (baked potatoes etc.)</li> </ul>		despite the French name
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Indirect competitors:

- Nandos
- Zizzis
- Pizza Hut
- Bella Pasta
- Opium Den
- Chez Gerard
- Slug & Lettice
- Ask

These are all chain restaurants on George Street that all do light lunches to varying degrees. Their strengths and weakness are similar – strong brand recognition with known menus, but a chain like feel and longer service compared to a café. They only provide limited competition, given their strong restaurant feel.

### 3. Central Oxford

Across central Oxford a wide range of coffee and snack options exist, with other national chains such as Pret a Manger, Starbucks & Costa Coffee represented.

The below businesses represent the independent destination cafes that would serve as competitors to any Skylight Café, despite being geographically separate.

Name	Type of business & core products	Strengths	Weaknesses
The Nosebag	<ul style="list-style-type: none"> <li>• Predominantly hot food and light meals</li> <li>• Rustic, upstairs location, lots of seating</li> </ul>	<ul style="list-style-type: none"> <li>• Strong reputation locally</li> <li>• Excellent food</li> </ul>	<ul style="list-style-type: none"> <li>• Off a main street, lacks visibility</li> <li>• No disabled access</li> </ul>
Georginas Coffee	<ul style="list-style-type: none"> <li>• Studenty coffee shop serving pannis and light snacks</li> <li>• Colourful &amp; grungy, upstairs in the Covered Market</li> </ul>	<ul style="list-style-type: none"> <li>• Well known and loved by students</li> <li>• Very cheap</li> </ul>	<ul style="list-style-type: none"> <li>• Small(ish) – often hard to get a seat</li> <li>• No disabled access</li> </ul>
Brothers	<ul style="list-style-type: none"> <li>• Classy coffee shop in the</li> </ul>	<ul style="list-style-type: none"> <li>• Most stylish café in the</li> </ul>	<ul style="list-style-type: none"> <li>• Lots of strong competitors</li> </ul>

	<ul style="list-style-type: none"> <li>Covered Market</li> <li>Wide range of snacks, good quality coffee</li> </ul>	<ul style="list-style-type: none"> <li>Covered Market</li> <li>Good service</li> </ul>	<ul style="list-style-type: none"> <li>immediately around it</li> </ul>
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### **Skylight Café Oxford proposal**

As the market analysis shows, the café market in Oxford is a competitive one, with both national chains and established local business. However, the market is also large, with shoppers, commuters and a high number of students with above average wealth (for students). A new café entrant can be a commercial success in the Old Fire Station location, but to do so will require clear targeting of a segment of the market and will need to provide unique selling points that distinguish its offer.

#### Proposed Location

The Skylight café will be located on the Gloucester Green side of the Old Fire Station. Permission will be sought to operate a handful of outdoor tables in addition to the indoor seating area, helping draw customers in and increasing visibility.

#### Target customers

Coach station users

- A large percentage are students using the coaches as a cheaper alternative to the train
- Require quick turn around and/or take away

Students who are looking for a place to sit down, read, study, and meet friends

- Price sensitive
- Quality of space will be important
- WIFI access desirable

Shoppers, particularly users of the markets in Gloucester Green

- Looking for a place to relax
- Prefer hot food options
- Market shoppers also likely to be price sensitive, although less than students
- Mums & toddlers are a key constituent (as they are under-provided for elsewhere)

#### Proposed Unique Selling Points of Skylight Café, Oxford

Responding to the lessons learnt from other Skylight cafés, market analysis and target customers, the proposed key elements of the Skylight Café in Oxford will be:

1. A clear ethical identity, actively communicated

As a city with a very high proportion of students and a largely liberal-minded population, the social aspects of the business can be a strong unique selling point. An external review of the Skylight Café model by KPMG stressed this as the key to delivering commercial success. The café will therefore promote itself as a dynamic social enterprise that develops employability skills for homeless people and gets them into work, with all profits going to Crisis and



Aspire. This message/USP will be clearly communicated on all internal marketing such as menu boards and packaging and also on any external marketing such as leaflets and in any material or communication used to build relationships with other organisations in the local area. Skylight Cafés should become the first choice in their areas for the ethical consumer and should promote themselves as such. By promoting the project in this way, we will seek to attract the customer with a social conscience looking for an alternative to the mainstream coffee shops such as Starbucks, Costa, Café Nero etc.

## 2. High quality, stylish space

To succeed locally, the café must be a destination café, where customers actively choose over its direct competitors because of the quality, relaxing space. It will be both stylish and friendly, with fantastic paintings from the Skylight art room hanging on the walls. It will look and feel like a high end, quality café - not a 'homeless' café - providing a comfortable place for non-homeless and homeless people to mix and mingle, and feeling like an environment mums would be happy to bring their children to. Added extras such as WIFI and newspapers will further encourage students to use it as a place to read, email and work.

## 3. Affordable, quality hot food

The market analysis clearly shows there are several direct competitors focusing on sandwiches and other cold snacks. To differentiate, the mainstay of the menu will be a range of quality hot food, available to take away (to appeal to coach station users), but predominantly to eat in, supported by a limited range of paninis & sandwiches. Target customers are likely to be price sensitive, so prices will be kept, providing students with an alternative to subsidised college meals and shoppers with an affordable refuelling stop.

## 4. Focus on healthy options

There is a clear gap in the local market around healthy options. None of the immediate competitors provide freshly squeezed juices, and none explicitly promote healthy options through their offer. By making this a clear feature of the drinks and menu on offer, this aspect will promote its role as a destination café, encouraging customers to travel a little bit further to visit.

## **Objectives & Outcomes**

### Outcomes

The outcomes this project will deliver for homeless people are:

- Progression into employment
  - The café manager will deal with local employers and negotiate confirmed interview opportunities for our trainees
  - Trainees will be supported as they take up this employment
- Improve vocational skills, with accredited awards
  - Trainees will be supported in the preparation for and achievement of a qualification – depending on which qualification is relevant this will include either building a portfolio and/or undergoing a formal assessment.

- Improved soft skills (confidence, motivation and self-esteem), provided by:
  - The application procedure - every member is individually interviewed by the café manager to check that they are suitable for the opportunity and that it's suitable for them - good experience in itself
  - The volunteering element – every member will experience working as part of a team, dealing with and communicating with the general public and gain a taste of a real working environment.
  - The learning experience itself, as well as the topics covered - customer service, organisational & communication skills, food preparation.

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
<b>Training targets &amp; outcomes</b>					
Trainees starting programme	30	40	40	40	40
Trainees completing programme (with accredited awards and improved soft skills)	15	20	25	25	25
Trainees into work	10	15	20	20	20

### Objectives

To deliver these outcomes, the Skylight Café in Oxford will have two core objectives in the first 3 years:

- 1) Develop a sustainable business that breaks even
- 2) Develop a high quality accredited training programme that is integrated with the overall Skylight model, offering a good progression pathway for Skylight members

To support these, the financial reporting of the business will split out the business and training costs, allowing a true reflection of the underlying profitability of the business, and the contribution this can make to the reasonably substantial training costs. It also allows Crisis and Aspire to fundraise specifically towards the training costs, to allow the enhanced level of support required.

### **Objective 1 – Break even**

The Skylight Café will need to meet the following targets to achieve break even on the business side:

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
<b>Business targets</b>					

Avg spend per customer	£2.50	£2.55	£2.65	£2.70	£2.75
Customer numbers per day	60	98	132	148	167

To achieve these, the following key strands of work are required:

### **Successful marketing – attracting & retaining customers**

This is key to establishing and growing any new business. Whilst the regeneration of the Gloucester Green area will increase the customer base in the coming years, a strong marketing strategy will be drawn up to achieve the clear ethical identify proposed as the first and key USP above. This will include:

- Internal marketing – distinctive branding & signage, menu boards, table standards, branded packaging, uniforms, flyers inserted into each takeaway bag
- External marketing – promotion materials, leafleting of local businesses, strong links to university forged to educate students as to social aspect of business, student discounts

### **Renew products on a six monthly basis**

Keeping the business fresh and interesting to customers is crucial, particularly given the transitory nature of the student population and the nearby competition.

- Revolving selection of one off items (for example home made cakes), with profitable business pricing
- Seasonal focus e.g. Christmas dinner themed sandwiches
- Develop a range of speciality soups
- Keep healthy options fresh (no pun intended), by varying salad options regularly

### **Build revenue over time**

To break into this competitive market, pricing will necessarily be keen in the initial 6-12 months, and the offer will be reasonably consistent in terms of opening times to build customer understanding. However, to support the move to break even, actions taken over time will include:

- Continuous review on pricing, keeping the Skylight Café truly competitive and attractive to price sensitive customers, yet increasing margins where possible
- Trialling 'spend offer' and loyalty cards to increase profitability
- Pilot special events days with local communities, for example running a business café morning allowing for discount to the business community before 8.30am
- Experimenting with extended opening hours including Sunday

## **Research business extensions**

Whilst the core business must be at the heart of delivery for the first 3 years, Crisis and Aspire are able to draw on supporters to carry out feasibility work on extending the business into new areas, growing its profitability. Areas may include:

- Evaluate the potential for a sandwich delivery service (using one of our local corporate supporters for a pilot)
- Investigate the hiring out of trainees for staffing external events
- Look into hiring the Café as events space for external hire out of hours, with inclusive food and drinks packages

## Objective 2 – Successful training programme

The Skylight Café training programme develops the employability skills of people who have experienced homelessness, and aims to get them into paid employment. A successful training will be one that delivers the above outcomes. To achieve these, the following will be put in place:

## **Recruiting trainees**

Trainees will be people who either are homeless or have been homeless. It is anticipated that many of the trainees will come from the ranks of the hidden homeless, people living in the Oxford night shelter, hostels such as Simon house, bed and breakfasts, squats, etc. In addition to referrals from within Crisis Skylight, links with other projects such as Steppin' Stone or The Bridge will also provide potential trainees. The Café Manager will liaise with external agencies to raise the profile of the Café and to convince workers in the sector of the value of the project to their clients. This would not necessarily take the Manager away from the Café as workers will be invited to see the venue for themselves and hear directly about the training and potential employment opportunities that will arise.

The Café will have some basic criteria for potential trainees:

- Enthusiasm and a willingness to try all aspects of café work
- Ability to follow some basic instructions
- Commitment and reliability
- Basic verbal communication skills
- Able to commit to 2 days or 2 half days per week

All potential trainees will be given a half day taster at the Café to help them decide if it's a project they would like to be involved in.

## **Training & support package**

To achieve these targets, existing training models from the Skylight Cafés in London and Newcastle will be used. This provides a dual approach to training, incorporating vocational and personal development.

The Café staff will provide general support to all trainees, however the range and depth of issues that some trainees present has been shown in the Skylight Café London to be beyond what the team can support. The Skylight Café in Oxford will therefore draw on the partnerships developed through Crisis Skylight to provide trainees with access to other support services, such as mental health support, addictions programmes etc.

## **Accreditation**

Two particular paths to accreditation will be offered to trainees as part of their individual learning plan:

- The OCR (Oxford Cambridge and RSA Examinations) Entry Level Certificate in Catering and
- The City & Guilds Certificate in Self Development Through Learning (Learning Power).

The OCR Entry Level Certificate in Catering consists of five units that can all be delivered through the Café:

1. Demonstrate knowledge of the catering industry
2. Demonstrate knowledge of health and safety procedures in the workplace
3. Recognise the importance of food hygiene
4. Plan and prepare meals
5. Communicate effectively in a catering situation

The City and Guilds Certificate also requires the completion of five units consisting of one core unit (Me and My Learning) and four to be chosen from a list of about twenty. There are also different levels for this Certificate that has been designed "for centres to focus on the individual needs of the homeless and vulnerable and to capture their capacity to learn and develop". As an example, possible level three units include Solving Problems, Interacting With Others, Working with Someone, My Physical Health, Making Myself Understood and Budgeting My Time.

Both qualifications are eligible for LSC funding. Crisis and Aspire are developing a relationship with Oxford & Cherwell Valley College and anticipate drawing down funding for the delivery of both qualifications through a contract with O&CVC.

## **Relevance of Proposed Project**

This proposed social enterprise will contribute to a range of strategic priorities – local, regional and national:

- Government skills and welfare-to-work strategies involving the voluntary sector in providing skills for work and disadvantaged adults gaining useful skills and experience for the workplace.
- DIUS / LSC strategies dealing with raising educational achievements in vulnerable adults and engaging adults with low or no qualifications back into the learning process.

- Sector Skills strategies in Catering and Hospitality, which show a surplus of employment opportunities and a deficit of skilled work-force.
- Milton Keynes Oxfordshire & Buckinghamshire LSC priorities, by raising employability and skill levels for disadvantaged individuals
- Oxford City Council and CLG homeless strategies by engaging, educating and empowering homeless people – giving them the confidence to find a job, enter Further Education and taking them nearer to their goal of independent living.

### Strategic Analysis

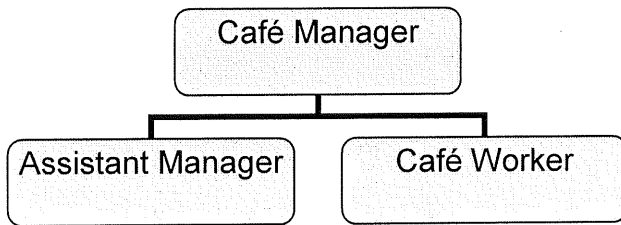
A SWOT (strengths, weaknesses opportunities and threats) analysis on the Skylight Café model was done as part of the recent external review by KPMG; this has been adapted below to show the specific elements that are relevant to Oxford. This has allowed us to highlight any concerns that might arise for a Skylight Café in Oxford, allowing for future issues to be identified in advance and dealt with through appropriate business risk management.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ Crisis UK and Aspire support</li> <li>▪ Knowledge of how to successfully manage social enterprise cafes</li> <li>▪ Lower prices compared to immediate competitors</li> <li>▪ Supplier discounts for a social enterprise</li> <li>▪ Trainees progressed into employment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Limit to bulk purchasing vs national competitors</li> <li>▪ New model in Oxford</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▪ Planned Gloucester Green regeneration and potential for new customers</li> <li>▪ Increasing focus on skills development following Leitch review. Potential for enhanced training program, apprenticeships etc.</li> <li>▪ Potential to develop pre-theatre menus and/or delivery service to local businesses</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing health &amp; safety / food hygiene risks</li> <li>▪ Loss of suppliers</li> <li>▪ Customer prejudice</li> <li>▪ Strong competition leading to failure to break even</li> </ul>

### Staffing

The Skylight Café staffing structure is designed to deliver training and manage the business of the Café. Experience in London and Newcastle has taught us that the support needs of trainees can be many and varied and the amount of time needed to develop the necessary interpersonal and employability skills in trainees is far greater than initially anticipated, leading to an adapted staffing structure. The Skylight Café in Oxford will open with this proven staffing structure:

The staffing structure for the first year will be as follows:



The staffing structure from year two will add a second 'Café Worker' position. The roles are explained in more detail below.

### **Café Manager**

The Manager will be responsible on the business side for the overall running of the Café including marketing and promotion, the development of new ideas for increasing revenue and developing customer loyalty, achieving breakeven on the business side and working with the fundraising team to finance the training programme. On the training side, the Manager will develop the accredited training programme, in partnership with other staff at Crisis Skylight. S/he will also oversee the progress of trainees on their personal training plans, liaise with potential employers on work opportunities, promote the training programme to homelessness organisations and deliver sessions such as health and safety and food hygiene.

### **Assistant Manager**

The Assistant Manager will be responsible for the day to day running of the Café, including ordering, dealing with suppliers, overall quality control, cashing up, overseeing and delivering some of the hands-on training, supporting trainees in their learning and the gathering of evidence for their portfolios, preparing trainees for work and helping out in the kitchen or front of house as needed.

### **Café worker**

The Café workers will be responsible for coaching trainees and helping to ensure the smooth running of the business, especially in the event of no-show by the trainees.

### **Physical space**

The Gloucester Green entrance to Old Fire Station provides an ideal space for a café environment. It will be fully accessible, and following the proposed refurbishment works will provide the inspiring, quality setting that is vital to the success of the project.

Appropriate planning permission will be sought to run the Café from this location, but given the existing use (nightclub / bar) and range of similar nearby businesses, it isn't anticipated this will be problematic.

Ongoing involvement with the local community will be sought through the local ward committee, who will be consulted prior to an application being made for outdoor tables & chairs for the café.

## Budgets & Value for Money

### Capital

Capital costs of refurbishment have been incorporated within the wider capital works programme for transforming the Old Fire Station into the Crisis Skylight project.

### Revenue

The following table shows the trading budget for the Café:

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
<b>Trading costs</b>					
Salaries NI & pensions	£43,258	£54,357	£57,066	£59,843	£62,690
General Running expenses	£4,463	£7,224	£4,689	£7,456	£4,926
Other costs (Food & Marketing)	£37,000	£42,000	£51,000	£59,000	£64,000
<b>Subtotal</b>	<b>£84,721</b>	<b>£103,581</b>	<b>£112,755</b>	<b>£126,299</b>	<b>£131,616</b>
<b>Trading income</b>					
Daily gross takings on average	£200	£300	£375	£425	£450
Days per month open	22	22	26	26	26
Avg monthly gross takings	£4,400	£6,600	£9,750	£11,050	£11,700
Total gross takings	£52,800	£79,200	£117,000	£132,600	£140,400
<b>Balance</b>	<b>-£31,921</b>	<b>-£24,381</b>	<b>£4,245</b>	<b>£6,301</b>	<b>£8,784</b>

Surpluses on the trading side will go towards subsidise the training costs:

<b>Training costs</b>	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Salaries NI & pensions	£38,361	£48,203	£50,606	£53,068	£55,593
General Running expenses	£3,958	£6,407	£4,158	£6,612	£4,368
Training costs	£13,240	£13,571	£13,910	£14,258	£14,614
<b>Total</b>	<b>£55,558</b>	<b>£68,181</b>	<b>£68,674</b>	<b>£73,938</b>	<b>£74,576</b>

If required, Crisis has agreed to fund the operating losses of the café in years 1 & 2, and subsidize the training costs. There are two potential sources of income being explored to cover projected operating losses and the costs of the training budget. The first is the Big Lottery Fund's Reaching Communities programme. The second is training subsidies - as explained earlier, both qualifications that will be delivered at the Café are LSC fundable.



The net cost per beneficiary completing the programme of the Skylight Café by year 5 will be £1,991. This provides strong value for money, given it has several outcomes per beneficiary. It provides them with:

- **A three-month volunteering placement (valued at up to £5,000 per beneficiary by “We are V”)**
- **A three-month learning opportunity (valued at up to £2,000 per beneficiary by Learning & Skills Council)**
- **A progression opportunity into work, further education or self-employment (valued at up to £1,000 per beneficiary by Job Centre Plus)**

Old Fire Station (OFS) Project Risk Log

Risk ID	Phase	Description	Impact L/M/H	Probability L/M/H	Proximity	Counter Measures	Prevention/Reduction/Acceptance/Contingency/Transference	Owner	Author	Date identified/updated	Current Status	Outcome	
	1	Consultation	Medium	Medium		Meeting held 12th Nov - verbal agreement reached on relinquishing of lease, formal confirmation letter sent	Prevention	Project Team	Sara Woodruff	16/12/2008	Current		
	2	Implementation	Low			Work with planners to ensure development is in-line	Reduction	Project Team	Nerys Parry	28/08/2008			
	3	Implementation	Medium	Medium		Feasibility study with robust capital breakdown. Access to building now agreed by Property	Prevention	Capital Budget Sub-group	Chris Clements/Sara Woodruff	10/11/2008	Current		
	4	Implementation	Medium	Medium		Building control involved at an early stage.	Reduction	Capital Sub-group	John Bellenger	16/12/2008			
	Revenue and On-going Sustainability												
	Consultation	Rental costs too high making project financially unviable	Medium	Medium		Project Board to take a view based on a) The PCP bid indicated the building as match funding, a key criteria for CLG in their scoring) A City Council asset will be significantly improved by the £2.16m capital investment) The contribution by the project to the City's Homelessness and Arts strategies, and wider LAA targets.) The potential loss of significant revenue contribution to the City by Crisise) The viability of the project requires a significantly favourable rent treatment (for example, the % of profit methodology, as originally agreed)	Prevention	PROJECT BOARD	Mel Barrett	16/12/2008	Current		
	4	Consultation	Medium	Medium		Sub-group set up to create business plan. Arts and Homelessness Commissioners to strategically review budgets. Crisis to confirm contribution. Partner agencies approached for funding. Special project funding.	Prevention	Project Team and Revenue Sub Group	Nerys Parry/Laura Worfold	21/07/2008	Current		
	5	Consultation	Medium	Medium		Contingency and flexible alternatives to be worked on as part of the revenue work. CLG will not disburse money. If project is well managed relationship with CLG will be preserved.	Prevention	Project Team and Revenue Sub Group	Nerys Parry/Chris Clements	14/01/2009			
	6	Consultation	Medium	Medium		PMS to meet Ovada's project board to brief and find a way forward, preserving a wider relationship with Brookes. Ensure they are briefed and part of the consultation process. Set out clearly how OFS fits with other services and how together the map of services meets needs.	Prevention	Project Team	Nerys and Chris	14/01/2009			
	7	Consultation	Medium	Medium			Prevention	Project Team	Nerys Parry/Chris Clements	16/12/2008	Current		
	8	Consultation	Medium	Low		Voluntary and statutory sector partners do not buy into the project.	Prevention	Project Team	Nerys Parry/Chris Clements	10/11/2008	Current		

Old Fire Station (OFS) Project Risk Log

Risk ID	Phase	Description	Impact L/M/H	Probability L/M/H	Proximity	Counter Measures	Prevention/Reduction/Acceptance/Contingency/Transference	Owner	Author	Date identified/updated	Current Status	Outcome
9	Consultation	Performance space/theatre is non financially viable	Medium	Medium		Carry out feasibility study, including running costs. Secure an experienced partner to run theatre. Theatre space used for other activities. Grant sourced for specialist input.	Prevention, acceptance and contingency	Project Team	Nerys Parry/Chris Clements	16/12/2008	Current	
10	Consultation and on-going	Café is not financially viable	Low	Low		Carry out market research and feasibility study for café/restaurant. Look at other options for a viable social enterprise.	Acceptance and contingency	Project Team	Chris Clements	28/09/2008	Current	
11	Implementation	Limited alcohol licence refused for café, making theatre less commercially viable	Medium	Low		Early dialogue with licensing officials to understand likely constraints and ensure development is in-line	Prevention	Project Team	Chris Clements	28/08/2008	Current	
Stakeholder Management and Communication												
12	Consultation and on-going	Adverse press coverage which jeopardises any aspect of development	Medium	Medium		Development of communication plan with key messages. On-going reinforcement from Project Team to press office	Prevention, reduction and acceptance	Project Team with Press Office	Nerys Parry	16/12/2008	Current	
13	Consultation and on-going	CLG (capital funder) not happy with overall direction of project	High	Low		Ensure activities planned remain in line with original PCP bid vision	Prevention	Revenue sub group	Nerys Parry	10/11/2008	Current	
14	Consultation and on-going	Resistance from residents, businesses and public	Medium	Medium		Clear comms plan. Meeting with residents and businesses to ensure correct information is disseminated	prevention and reduction	Project Team	Nerys Parry/Chris Clements	10/11/2008	Current	