

NEW SPITALFIELDS MARKET

Outline of City Harvest proposal to redistribute market surplus

6th February 2019

Introduction

City Harvest is keen to make a major contribution to NSM's waste arrangements by redistributing surplus from the market to programmes across East London that feed the needy. There is considerable unsupplied demand for food across East London and in particular fresh produce. 43% of our 300 charity partners surveyed are vegetarian and 90% of all partners said they urgently need more fruit and vegetables. We believe that our approach and model are unique amongst major redistribution charities in enabling the distribution of the widest range of perishable products.

We have had the opportunity to collect surplus in the market for over two months and spoken to a number of market participants and related parties. We believe that there will be good support for this project but the extent and nature of this has not been seriously tested. Consequently, we aim to start the project with a small team and evolve our proposal as the operation develops.

We have focused in this first stage on food appropriate feeding the needy rather than food for further processing or wider objectives. These will be reviewed when the key first step has been successfully established.

City Harvest

We have set out the background to City Harvest and its work in London in a separate paper together with an example of our Food donor Impact Report.

Food availability

We expect that City Harvest, which would be the sole redistributor at NSM, will need to carry out a significant and ongoing awareness and training programme with traders.

We are assuming:

- 30-50 pallets holding an average of 1,000kg each of surplus for day are currently disposed of through Countrystyle
- Surplus will be available on the mornings of Monday to Saturday
- City Harvest will seek to pick up surplus from Traders at the start and the end of their trading sessions
- We are assuming initial collections of around 2,000kg/day of surplus with at least 80% of food suitable for redistribution rising to 4,000kg/day on maturity

- City Harvest will invoice traders at the rate of £50 and £20 per pallet of pre-packed and loose food respectively to cover collection and any waste disposal costs.
- Food not suitable for redistribution will be delivered to Countrystyle
- Pallets will not be accepted from traders who consistently donate pallets which comprise over 25% waste

Support will be required from NSM to establish an effective modus operandi with traders. It is expected that from the start we will carry out trader 'recruitment' on a staged basis to reduce the likelihood of issues arising.

City Harvest site

City Harvest would be granted a tenancy at will to use the empty site alongside the railway nearest to the site offices. A 600-800 sq ft portacabin will be erected for sorting, storage and administration and, in due course, a refrigerated container acquired for storage.

We would commence with one van running two local routes a day for five days and increase as appropriate. We would also consider diverting food from our West London depot and existing and new local food donors to the site to enhance the amount and range of food redistributed.

The site would be open from 6.00AM to 12.00PM. The site has secure fencing and will be covered by the 24hr security arrangements.

City Harvest Model

City Harvest currently collects and delivers around 35 tons of high quality food per week across London, sufficient for 80,000 meals a week. The food we collect from our distribution partners is fresh, high quality and ready for distribution.

As a charity without any central or local government support, City Harvest is entirely reliant on voluntary financial support. This creates an absolute limit to funds and, in order to assist fundraising, we set a financial target of running our operations such that the costs of collecting, storing and distributing food should be no more than 20% of the value of the food distributed.

To operate at NSM, there will be an additional cost added to the City Harvest model (see Financials section below). Food sorters will be required to separate food suitable for redistribution from food waste, which is usually undertaken by our donating partner. Long term, we will seek separate funding in partnership with a local programme to ensure a sustainable pipeline of volunteers to deliver this aspect of the model.

Personnel

Employees will be allocated to the site will include:

- Site manager responsible for all site activities and marketing to and liaising with traders
- Assistant manager to support the site manager and manage volunteers
- Sorters
- Forklift drivers to arrange collection
- Van driver(s)

In addition, once established we would aim to develop links with local organisations, many of which we would expect to deliver to, to obtain volunteers to carry out sorting.

Also, we expect staff at our West London depot to contribute around one day a week assisting with logistics, fleet management, food donor, recipient and volunteer recruitment.

Recipients

City Harvest has identified 130 programmes in East London, many of which it already supplies. Through using our local contacts we expect to increase this substantially.

We would expect to deliver to around twenty programmes a day which would be likely to equate to fifty programmes a week. This should be a powerful marketing tool to encourage support from traders.

Financials

We expect our key costs to be (annualised, £'000):

<i>Running costs</i>	Initial	Mature
Personnel		
Depot (3/5)	80	130
Driver (1/2)	25	50
West London staff	5	5
Volunteers' expenses (3)	-	15
	110	200
Van running costs	10	20
Other costs	13	13
Total annual costs	133	233
 Cost recovery (net)*	 14	 28
 <i>Capital costs</i>		
Van	38	76
Forklift	8	8
Refrigerator	-	15
Other	5	5
Total	51	104

* Assuming receipt of 2,000kg/day initially and 4,000 kg/day on maturity of which 50% packed and 50% loose, less disposal costs for 20%.

We aim to apply for some funding from the £5m distribution fund set up by DEFRA and further project specific funding might be available from City Bridge and City firms. Other funding/income streams will also be explored.

Approvals and timing

This proposal is subject to the approval of the Boards of New Spittlefield Market and City Harvest. Subject to getting clarity on the key open issues we would want to commence operations at the earliest opportunity once approvals are received.