

MEETING: 25/09/2104

Ref: 12274

ASSESSMENT CATEGORY - Reducing Poverty

FoodCycle

Adv: Ciaran Rafferty

Amount requested: £122,161

Base: Tower Hamlets

Benefit: Tower Hamlets

Amount recommended: £122,200

The Charity

FoodCycle was founded in 2009 by a young man who wanted to tackle both food poverty and social isolation using a local-community approach. His concept hinges on a triple-donation model of food, time and place. A local organisation volunteers the use of its kitchen once or more per week; the charity arranges for surplus food to be collected from local supermarkets; and a team of volunteers cooks and provides a healthy meal for up to 50 disadvantaged people in the neighbourhood. As well as providing nourishing food for those in need, the meal is a chance for people to have some company. The charity has won a series of awards including: Big Society Award 2011; and Best Community Initiative at the Climate Week Awards 2014.

The Application

Currently, FoodCycle supports over 1,000 volunteers running 18 "hubs" across the country, six of which are in London. Your funding is sought to increase the total number of London hubs each year, up to 16 by the end of the third year, providing 20,000 healthy meals. In addition, the charity runs a community café in the Bromley by Bow Centre in east London which provides healthy, low-cost, meals and also successfully engages young people as trainees and to develop their employability skills. Your funding would also support that service.

The Recommendation

This is an impressive organisation which achieves much through donations of food, time and place. With a rise in the number of people who rely on food banks (34,000 accessed food banks in London in 2013 compared to 400 in 2009) FoodCycle brings much-needed provision to this issue, whilst also reducing food waste and tackling social isolation, particularly amongst the elderly. Your funding is advised as follows:

£122,200 over three years (£37,600; £38,900; £45,700) for expansion of FoodCycle's work in London. The grant will contribute to the salaries of the Partnership & Social Franchise Manager, Head of Programmes, and the Youth & Community Engagement Manager.

Funding History

None

Background and detail of proposal

Your Committee recently supported an organisation called FareShare which takes large quantities (pallet-loads) of surplus food from producers and supermarket distribution centres and redistributes it to a range of charities across London, for them to use as they wish. Where FoodCycle differs is that its volunteers receive smaller quantities of surplus food from local supermarkets and use it to cook meals in local kitchens for disadvantaged and isolated people in that neighbourhood. These activities are called "Hubs".

FoodCycle, with funding from the Cabinet Office, has now established a robust franchise system to take the model to scale. Local community groups can now operate as a FoodCycle social franchise hub, with the charity providing training and support covering all aspects such as governance, volunteer engagement, and health & safety, as well as centrally negotiating relationships with local food retailers. There is now a long waiting list of potential franchisees across London but the charity needs resources to support the programme's delivery, hence this application. Your funds, if awarded, would also support the continuing, direct, operation of the existing FoodCycle hubs in London together with the community café in Bromley by Bow.

This project will deliver good outcomes under your Reducing Poverty, Environment, and Older People programmes. A hub collects per year, on average, 1,500kg of food that would otherwise go to waste. Many older people who live in poverty are reluctant to use food-banks as they feel it compromises their dignity, so the hubs provide an alternative source of nutritious food and the chance to socialise. The community café, each year, utilises 13,000kg of surplus food and provides 11,000 affordable meals (including free meals to individuals or families following referral).

Financial Information

Income (and expenditure) have grown year on year as the charity has increased its level of operations and number of hubs.

Total income for the forthcoming year 2014/15 is forecast to increase by £110k (22%) to £618k and the charity hopes to achieve this through additional grant applications. At 1st August 2014, £80k (12.9%) of total income had been confirmed.

The cost of generating funds increased by £56,172 to £98,862 in 2013/14 due to expenditure on specific, additional, events (eg a fundraising gala dinner; and the costs of entering a team in the Trois Etapes pro-am cycling event). These events proved successful with events income increasing by £88,367 to £107,574. The charity has budgeted for fewer events in 2014/15 but hopes to offset this through additional grant income as noted above.

Year end at 31 August	2012/13 Independently Examined Accounts	2013/14 Current Year Budget	2014/15 Next Year Budget
	£	£	£
Income and Expenditure			
Income	492,236	507,669	617,950
Expenditure	405,786	502,733	610,254
Unrestricted Funds Surplus / (Deficit)	84,100	4,936	7,696
Restricted Funds Surplus / (Deficit)	2,350	0	0
Total Surplus / (Deficit)	86,450	4,936	7,696
Surplus / (Deficit) as a % of turnover	17.6%	1.0%	1.2%
Cost of Generating funds (% of income)	£42,690 (8.7%)	98,862 (19.5%)	41,000 (6.6%)
Free unrestricted reserves			
Unrestricted free reserves held at Year End	128,592	133,528	141,224
How many months' worth of expenditure	3.8	3.2	2.8
Reserves Policy target	101,448	125,693	152,564
How many months' worth of expenditure	3	3	3
Free reserves over/(under) target	27,144	7,835	(11,340)