

**MEETING: 27/07/2017**

**Ref: 13922**

**ASSESSMENT CATEGORY - Reducing Poverty**

**Plan Zheroes**

**Adv: Kate Moralee**

**Base: Kensington & Chelsea**

**Amount requested: £123,070**

**Benefit: London-wide**

**Amount recommended: £108,400**

**The Charity**

Plan Zheroes is a young charity registered in 2013, but born out of London Citizens as a volunteer led initiative in 2009. It aims to relieve food poverty through the redistribution of surplus food from businesses to charities that are feeding people in need such as homelessness charities and those that support the elderly, low income families and people with mental health or substance misuse issues. It achieves this through a live and interactive online platform.

**The Application**

Plan Zheroes is requesting 3 years' funding towards the salaries of the CEO and Community Manager, to support the consolidation and growth of the online platform facilitating relationships between businesses and community organisations to donate/receive surplus food. The Chief Executive officer is responsible for some of the Corporate donor relations and generating new relationships, with the Community Manager being responsible for recruitment of and relationships with local community organisations and management of relationships with existing corporate members.

**The Recommendation**

This project has seen steady growth since its inception, currently 209 businesses, 173 charities and 342 volunteers. It has a positive relationship with an IT company (Keytree) which has developed and built the Online Platform free of charge; and it has received support from Royal Sun Alliance in its business development processes. A reduced amount has been recommended in year 1 as the original request represented more than 50% of their forecast turnover.

**£108,400 over 3 years (£28,750; £39,350; £40,300) towards the cost of a Community Manager 0.7 fte year 1 and fte years 2 and 3) and associated project costs. Years 2 and 3 of the grant are conditional on: successful implementation of the business model; achievement of predicted performance (36 platform subscriptions year 1, 108 platform subscriptions year 2); and on the grant in any one year not exceeding 50% of the organisation's turnover.**

**Funding History**

Meeting Date	Decision
18/03/2016	Application declined: An unrealistic request for an organisation which has forecast income of £95,000 for the current year

**Background and detail of proposal**

From the germination of an idea in 2009 to the live interactive platform of today Plan Zheroes has secured supporters along the way. The platform was launched in 2015 and within two years has 724 users with new registration growing at a rate of 30 per month across businesses, charities and volunteers. Food donations are also growing

rapidly with over 2 tonnes of food a month being redistributed via the platform currently. The organisation has ambitious plans for growth and sustainability, with a prediction of 5 tonnes of food per month redistributed by the end of 2017 and a growth in business subscribers to the platform from 209 currently to 621 by 2020. With increased numbers of people accessing foodbanks, indicating that more people are struggling to afford to feed themselves, and increased interest in reduction of food wastage this project provides a conduit to address both issues.

Food waste of the Hospitality and Food Services sector is estimated to be 920,000 tonnes, 75% of which could be eaten by people. Additionally the number of people experiencing poverty is increasing with welfare benefit changes and austerity, little or no growth in real incomes and constantly rising cost of housing, meaning that more people will experience food poverty. This project has a USP of targeting the market of perishable food allowing charities to provide food and nutritious healthy meals to people accessing their services. Businesses fulfil their Corporate Social Responsibilities and save the costs of waste removal and land fill tax. There is currently global interest in reducing per capita food waste which could create pressure on and incentives to businesses to reduce food waste.

### Financial Information

The draft accounts 2015/16 include in-kind IT services valued at £150,000 and depreciation valued at £109,667. No in-kind IT services has been included in the 2016/17 and 17/18 forecasts though depreciation of the platform has been included. The premise of sustainability for Plan Zeroes is to generate income through a £200 annual charge to businesses with a turnover of more than £100,000. The projection is to grow from 36 paid platform subscriptions in 2018 to 180 paid subscriptions in 2020.

Year end as at 31st October	FY15/16	FY 16/17	FY 17/18
	Draft Accounts	Forecast	Forecast
	£	£	£
<b>Income &amp; expenditure:</b>			
Income	247,342	64,287	98,800
- % of Income confirmed	n/a	n/a	13%
Expenditure	(169,649)	(228,173)	(214,621)
Total surplus/(deficit)	<b>77,693</b>	<b>(163,886)</b>	<b>(115,821)</b>
Split between:			
- Restricted surplus/(deficit)	16,346	(10,888)	0
- Unrestricted surplus/(deficit)	61,347	(152,999)	(115,821)
	<b>77,693</b>	<b>(163,887)</b>	<b>(115,821)</b>
Cost of Raising Funds	0	9,500	9,500
- % of income	0.0%	14.8%	9.6%
Operating expenditure (unrestricted funds)	117,072	54,119	84,621
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	23,534	535	14,714
No of months of operating expenditure	2.4	0.1	2.1
Reserves policy target	14,996	24,543	21,155
No of months of operating expenditure	1.5	5.4	3.0
Free reserves over/(under) target	8,539	(24,008)	(6,441)