



Business Plan 2015-18

Last updated: 11 September 2015

1. [Introduction](#)
2. [Vision and Values](#)
3. [Our Story and the Local Context](#)
4. [Products and Services](#)
5. [The Market](#)
6. [Marketing Strategy](#)
7. [Operations](#)
8. [Costs and Pricing Strategy](#)
9. [Governance and Management](#)
10. [Managing Our Environmental Footprint](#)
11. [Financial forecasts](#)
12. [Capital Investment Plan](#)
13. [Risks and Issues](#)

Acknowledgements

Over the years, Sutton Community Farm has been grateful to receive support from a number of people and organisations. We would like to thank them for their support in helping create a vibrant, beautiful farm that has become a vital resource for the community.



The Mayor of London Team London programme supported the launch of our Buddy Volunteering programme, helping increase the number of volunteers we can support at the farm (2014-15).



The Tudor Trust helps smaller, community-led groups which are supporting people at the margins of society. Support from the Tudor Trust has provided a vital contribution towards managing our volunteer programme in 2014-15.



Growing Livelihoods is an initiative from the Carnegie Trust and Plunkett Foundation to test and promote new opportunities in smaller-scale food growing for those new to the sector. This supported the launch of our FarmStart pilot project.



The London Community Foundation helped us facilitate community volunteering days at the farm.



Co-operative Membership Community Fund kindly awarded some capital funding towards a small polytunnel, tables and other kitchen equipment.



Sutton Community Fund is a local fund that supports projects that benefit Sutton residents and meet the Council's priorities. Their contribution helped us to build a compost toilet in 2015, and an outdoor kitchen in 2012-13.



Big Lottery's [Local Food](#) programme provided vital funds to help start the farm in 2012-14. The fund contributed towards a range of activities from healthy eating sessions, improving local food procurement and setting up the farm.



The Naturesave Trust: Naturesave is an insurance provider that has strong ethical and environmental standards. The Naturesave Trust contributed towards farm equipment in 2013.

I. Introduction

Sutton Community Farm (SCF) is a community-owned social enterprise. We started in 2010 in response to a community need, with the purpose to increase access to fresh, healthy, sustainable food and provide a shared space for people to cultivate skills, get exercise and make friends. Our farm sits on a beautiful seven acre smallholding, with views towards the skyline of central London.

This Business Plan sets out who we are, what we do and how we're going to do it. Although accurate at the time of writing, we view it as a snapshot and guide, as we recognise that projects can change quickly as opportunities arise.

SCF is an innovative community-owned organisation that aims to have a strong social and environmental impact while balancing a viable financial model. Our work is centred around local food and community. If you have any questions regarding this business plan, please contact us: info@suttoncommunityfarm.org.uk.



Staff and supporters of Sutton Community Farm

2. Vision and Values

Our vision is to increase access to fresh, healthy, sustainable food and provide a shared space for people to cultivate skills.

For 2015-2018, we've expanded this vision into 5 pillars:

1	Space and Community	To be a warmer, more welcoming and inclusive space for the community to improve their knowledge and skills in sustainable food production.
2	Local Food Supply	A productive growing rotation centred around an increasing VegBox customer base and increased production for wholesale, concentrating on high-value products.
3	Enterprise and Diversification	Business activity that reduces our grant dependency to 15% in 2018/19 for ongoing running costs of the farm with a business plan that reduces grant dependency to zero.
4	Leadership	<ol style="list-style-type: none">1. To be a leading example of peri-urban community farming and a voice that advocates for increased community farming on the edges of urban environments.2. To be the leading voice for local, sustainable food production and consumption in Sutton.
5	Membership	To have an active membership of over 250 individuals in our community.

This business plan covers the nuts and bolts of how we get there, including the investment and resources we need. For more information about the Vision, please read our [3 Year Vision and Strategy document](#).

Our Values

Values are important in underpinning our approach to work. We strive to be: transparent, professional, democratic, inclusive, passionate, collaborative, innovative, inspiring, fun, pragmatic, promote equality and demonstrate leadership.

We also take inspiration from the ethics of permaculture:

care for people * care for the planet * fairshare

3. Our Story and the Local Context

A Potted History

We started SCF because we wanted to see more fresh, local food in our community. Following community consultation with residents in nearby Hackbridge, Anna Francis from local environmental charity [BioRegional](#) started looking for land. With some help from the charity [EcoLocal](#), we found a patch of unused land and then invited people to come and help out.

The project developed slowly as we developed our skills, gathered equipment, raised funds and understood the land and our place in the community. To read more about our history, please visit [our website](#).

The Farm Today

SCF has become an important asset in the local community, helping people to access and participate in a healthy, low-impact local food system. We operate a vegetable box scheme that links with other local organic producers. More than just growing and distributing produce, we are a thriving space for social and educational activities, for children, adults and groups.

Global Context

A successful food system is one that delivers high wellbeing, social justice and environmental stewardship. Our current food system fails us on many counts. In brief it is:

- **Environmentally unsustainable:** the current food system is degrading the environment and compromising our capacity to produce food in the future. Problems include soil loss due to erosion, loss of soil fertility, salination, unsustainable water extraction, over-fishing and the heavy reliance of fossil-fuels¹.
- **Energy-intensive:** the UK food system uses roughly eight calories of energy to produce every one calorie of energy from food².
- **Supports bad jobs:** the UK food system employs approximately 11% of the labour force, but most of them are in the least well-paid jobs, with salaries of less than half the UK average³.
- **Unequal:** all 17 million hectares of agricultural land is owned by about 0.25% of the UK population;
- **Volatile:** price spikes are hitting poor households the hardest.

We aim to demonstrate a replicable, viable model of a farm that is representative of the food system we want to see. This means:

1. Having a neutral or positive environmental impact;
2. Being productive in our use of energy and other inputs;
3. Being diverse in species and genes;

¹ For a useful overview, read: Foresight, *The Future of Food and Farming* (2011). The Government Office for Science, London.

² 2014, *Urgent recall: Our food system under review*. New Economics Foundation. Available at: neweconomics.org

³ Ibid

4. Supporting good jobs;
5. Having short and simple supply chains;
6. Being composed of assets that are controlled by our local community;
7. Fostering a positive and thriving food culture and the highest levels of public health;
8. Making food affordable.

Local Context

About Sutton: Sutton is one of the southernmost boroughs of London. It was once a collection of rural villages and there are some district centres in Sutton that maintain a “village-feel” such as Carshalton and Cheam. However for the most part, it feels a part of London’s suburban sprawl. It has a population of 190,000 and extensive areas of low-density housing compared to the inner-London boroughs. Regarding ethnic diversity, Sutton is more like the England average than the London average, with around 71% of its residents from “White-British” backgrounds⁴.

Food production: this almost entirely happens on small scale plots: in back gardens and community allotments. There is no reliable data on the quantity of food production and how this has changed over the years. It’s expected that local food growing provides a very small contribution to the overall consumption of food in the borough, however this should not be overlooked. Food growing is a popular pastime practiced by all ages and growing in popularity, particularly in schools.

Agricultural land: Sutton sits on the outer edges of London where there are large patches of greenbelt land. The total area of agricultural land in Sutton is 229 hectares and the largest portion of this is the 140 hectare Little Woodcote Estate, owned by Surrey County Council. Over the last generation, there has been a steady decline in food production on this estate and today it is dominated by unused land and horse-keeping.

Food poverty: defined as “the inability to afford or access healthy food”, Sutton Council’s conservative estimate is that 10% of the population are living with some degree of food poverty⁵. People living in food poverty eat a poor diet that lacks the right variety of nutrition. Poor diets are associated with many disabling health problems including diabetes, some cancers, coronary heart disease, increased falls and fractures in older people, low birth-weight and increased childhood morbidity and mortality. The issues are not only health-related, food poverty gives rise to social stigma, low self-esteem, bad behaviour and a breakdown of family bonds.

Health and lifestyles: Our diets are intrinsically linked to our health and the NHS estimate that diet related illness costs £10 billion per year. In Sutton, like elsewhere in the UK, the health statistics are a concern:

- 29% Sutton’s Primary School children are overweight, 25% of adults are obese;
- 19% of adults have regular physical exercise;
- 82% of adults and 63% of children are not getting their ‘five-a-day’;
- Increased levels of cancer and cardiovascular disease.

⁴ 2014, *Sutton Borough Profile*. London’s poverty profile: londonpovertyprofile.org.uk/indicators/boroughs/sutton

⁵ 2015, *Food Poverty Needs Assessment (Final Version)*. London Borough of Sutton. Unpublished at time of writing.

4. Products and Services

1. Production and Distribution

We grow high quality vegetables, salads and herbs using organic methods. Our production is based on a six year rotation over seven acres of land, designed around the needs of our Veg Box scheme and wholesale customers. There is an emphasis on higher value crops to support our financial viability. The growing plan is reviewed annually and shared publicly. The rotation includes:

- **Legumes:** such as dwarf, French, broad, Borlotto, Cobra Coss Violet and runner beans.
- **Cucurbits:** mixed courgettes and winter squashes.
- **Alliums:** leeks, shallots, spring onions and garlic.
- **Brassicas:** calabrese, sprouting broccoli, cabbages and kale.
- **Root vegetables:** beetroot, Swiss chard, potatoes, carrots and celeriac.
- **Herbs:** such as parsley and basil.
- **Salad rotation:** wide variety of leafy greens, microleaf, tomatoes, peppers and cucumbers.

Our VegBox Scheme

Launched in July 2011, our VegBox Scheme distributes our produce to the community. Customers order online and each week we deliver mixed bags of vegetables to homes and pick-up points. In addition to the core Veg Box products, we also sell Fruit Boxes, Fruit & Veg Boxes and various extras, such as grains and pulses, potatoes, carrots, salad bags, eggs and bread.

As much as possible comes from our farm and we work with a network of local organic farms to supply the remaining. This means that our Veg Box scheme growth is not limited by our production.

Through the VegBox scheme, SCF is exploring offering a wider range of other local food-based products, such as plug plants and value-added products. These are not included in our financial models, but will be integrated following feasibility analysis and market testing.

We anticipate the continued growth of the Veg Box scheme with many of our customers investing in our Community Share Offer and becoming co-owners of the Farm. The capital raised from the offer will help us to grow the Veg Box scheme. All local investors will also be encouraged to join the scheme.



Wholesale

Wholesale activity concentrates on sales to restaurants. Our clients include a number of high-end restaurants in central London including Browns Hotel, Hix Soho, Petersham Nurseries, Oxo Tower and the Chilton Firehouse. We have a dedicated high-value salad production project that supplies these restaurants as well as supply from our regular growing rotation.

Farmer markets and other food distribution

During the Summer and Autumn, we also sell our produce at local Farmers' Markets. We are also starting to sell prepared food such as salads and wraps - and this is an area where we believe there is scope for expansion. Volunteers are also welcome to take home a share in the harvest and any further surplus is donated to Sutton Food Bank.

2. Community Work and Education

We offer an inclusive, shared space where people get exercise, connect with nature, make friends and learn new skills. Our activities are centred around food production, preparation and consumption.

We find that food is able to bring people together in extraordinary ways and as such, SCF is a vehicle for a number of social benefits. This includes improving community cohesion, regeneration, healthy eating, education, integrating disadvantaged groups into mainstream society, and developing people's skills so that they are better able to get into paid employment.

Our Community Work includes:



Community volunteering: volunteers are at the heart of our farm and come to learn new skills, share knowledge, meet people and be inspired. We host regular volunteering sessions on Wednesday and Saturdays. [Link for further information.](#)



Apprenticeships and Sustainable Farming Assistants: we run a 20 month long farming apprenticeship as well as a farming assistant programme that gives volunteers a more structured, practical experience, learning the basic principles of organic farming over a period of six months.



Farm Start, our Food Growing Business Incubator: this is a project that supports new entrants into food production by helping them test out their commercial food enterprise ideas with minimal risk.



Education: schools and events: as well as volunteering, we work with schools, run courses and events at the farm. This has included bread making, how to build a cob oven, introduction to permaculture weekends, pop-up dinners, cooking demonstrations and Harvest Festivals.



Team Challenge Days: we offer a unique day out for teams looking to escape the office, get mucky and reconnect with nature. We can accommodate groups up to 25 volunteers with teams participating in activities that provide a meaningful benefit to the farm and local community. [Link for further information.](#)



Community Pay-Back: since our farm started, we've worked with the London Probation Service. We have weekly groups that mainly assist with site maintenance, as part of their community service hours.

Our capacity to deliver these services is dependent on our income, leadership, team resourcing and volunteer capacity. Some of the community-benefit services we provide assist us with income and others require an investment of time and money. Our challenge is to create a healthy balance that achieves our mission and enables us to operate sustainably.

3. Further Diversification

While we understand how important it is to focus on our core activities, we maintain an entrepreneurial spirit with an openness for innovation. With unprocessed vegetables, margins are tight, particularly as we operate under the shadow of supermarkets and other national retailers. Similarly, income from our community activities has been limited. We recognise the need to derive reliable income from multiple sources to support our farm and additional areas of diversification are being explored. These include:

- **Formal education:** being a provider of certified horticultural qualifications and establishing partnerships with schools and prisons.
- **Work placements:** we will seek to provide income-generating work experience placements through Erasmus+ and other career development organisations.
- **Sutton FoodLab:** we'd like to transform the old glasshouses on our site to create a community FoodLab; a space for education and value-added production. This can help turn produce from the farm and wider community into products like jams, healthy juice drinks, popcorn, herbal teas, honey. It will also provide space to teach cooking skills and enable enterprises like our local baker to scale-up.
- **Health Commissioning:** our experience supporting volunteers, vulnerable adults and children to participate in food growing, exercise and healthy eating gives us an opportunity to tender for health-related contracts. For example, providing healthy eating education or social care contracts. This can provide longer-term secure incomes that complement some of the food growing and site management.
- **Support towards other trading arms:** we are researching into the opportunity of having:
 - A subsidiary Community Farm Shop and Cafe;
 - Micro-brewery and healthy drinks;

Project diversification that establishes an entirely new service or activity, such as a Farm Shop and Cafe, will warrant a separate business plan. This will be referred to from this business plan,

including the relevant financial implications on our budget.

Key Benefits of our Product and Services

Social and Economic

For volunteers: Feedback surveys show that our activities provide a wide range of benefits, including improvements in self-esteem, confidence, practical skills and support into paid employment. Volunteers can also take a share of the harvest.

For customers: our customers are invited to participate in the farm, helping them have a closer connection with the food source. This might be through an event, cooking demonstration, memberships or farm tour. When customers join the Veg Box scheme, they can gain satisfaction through the knowledge that they are supporting their local economy, the local community, and a more sustainable food system, while getting the freshest produce available.

Health

For volunteers: the farm is a space where people come to get exercise and a healthy meal.

For customers: the increased availability of non-processed, fresh produce is encouraging healthier lifestyles. For example, getting a VegBox encourages a varied diet, low in meat with high intakes of fruit and vegetables.

Environmental

Low food waste: our VegBox scheme allows us to minimise food waste as we grow to demand and only harvest what we need each week. We also include and celebrate the wonky shaped vegetables. This is in contrast to conventional shops which overstock their shelves and have higher aesthetic standards.

Organic: organic production is better for the soil, less destructive for wildlife, has less fossil-fuel dependence and promotes biodiversity. Research has found that produce grown at SCF emits an average of 83% less GHGs compared to equivalent supermarket produce⁶.

Local: our produce is grown and sold locally, helping us minimise transport impacts.

⁶ Research conducted by Cranfield University. For details, visit: suttoncommunityfarm.org.uk/projects/research

5. The Market

Volunteering

Our surveys show that people come to volunteer for a wide range of reasons. The predominant reasons are to learn new skills, meet people and for enjoyment. Over half of people also say they come for exercise and over one third say they come to improve their mental health.

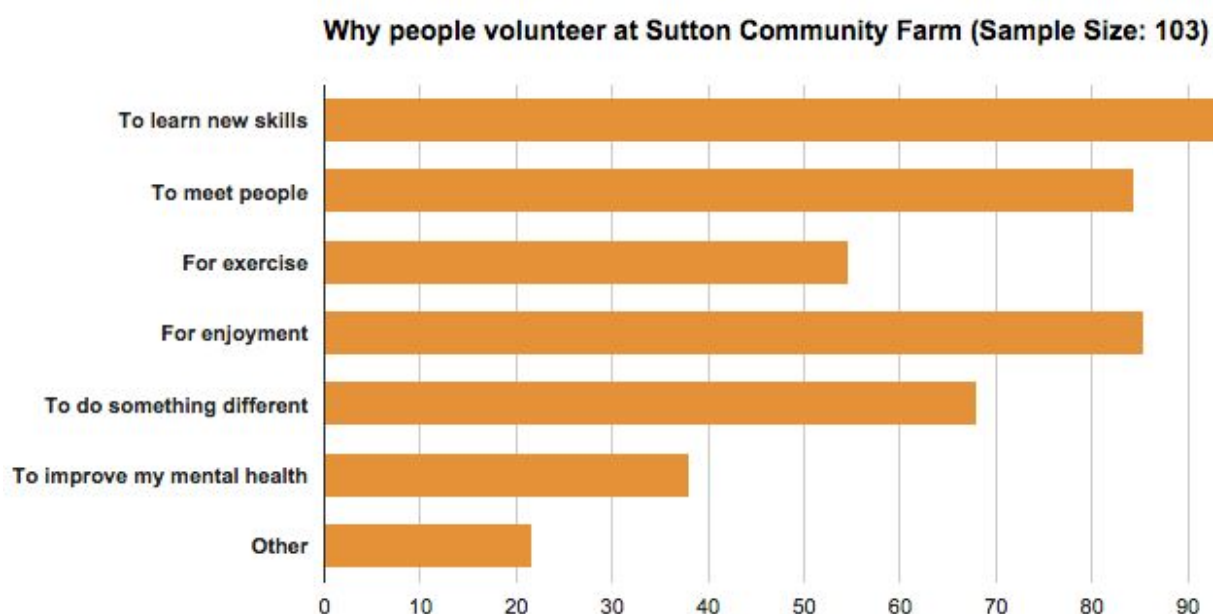


Figure: Why people volunteer at Sutton Community Farm. Sample size 103, x-axis is a percentage.

Demographic of our volunteers: approximately 60% female, 40% male; a broad range of ages with the majority between 25-45. 40% are of working age and unemployed. 9% have a disability or health problem that limits their day-to-day activities.

VegBox Scheme

Initial market research has found that convenience, freshness and local provenance are motivations when buying food in the area. A key trend amongst our customers is a desire to support the community farm and based on our customer base and observations of their interests, the following demographic is typical:

- **Young professionals (mainly female).** Attracted by convenience, localism, quality and the ethical dimension of the produce and (to a lesser extent) the carbon savings. They like to feel they are doing 'the right thing'. Typically with incomes of £26,000 and upward.
- **Gender and age:** based on our current customer base, the gender divide is approximately split 70% female, 30% male, which is also reflected in our Facebook likes. Ages are varied and range from 22 to 80 years; the majority of our customer fall in the 35-55 age bracket.
- **Family households where a tradition of cooking is established.**

Wholesale

Our wholesale is concentrates on restaurants in Central London. As of 2014, our clients include Petersham Nurseries, Chilton Firehouse and restaurants owned by Mark Hix (Tramsheds, HIX Soho, Selfridges, Browns Hotel). These are higher-end restaurants that are prepared to pay for our product and support our ethos. The restaurants are driven by freshness and quality. The majority of our sales is salad and baby leaf.

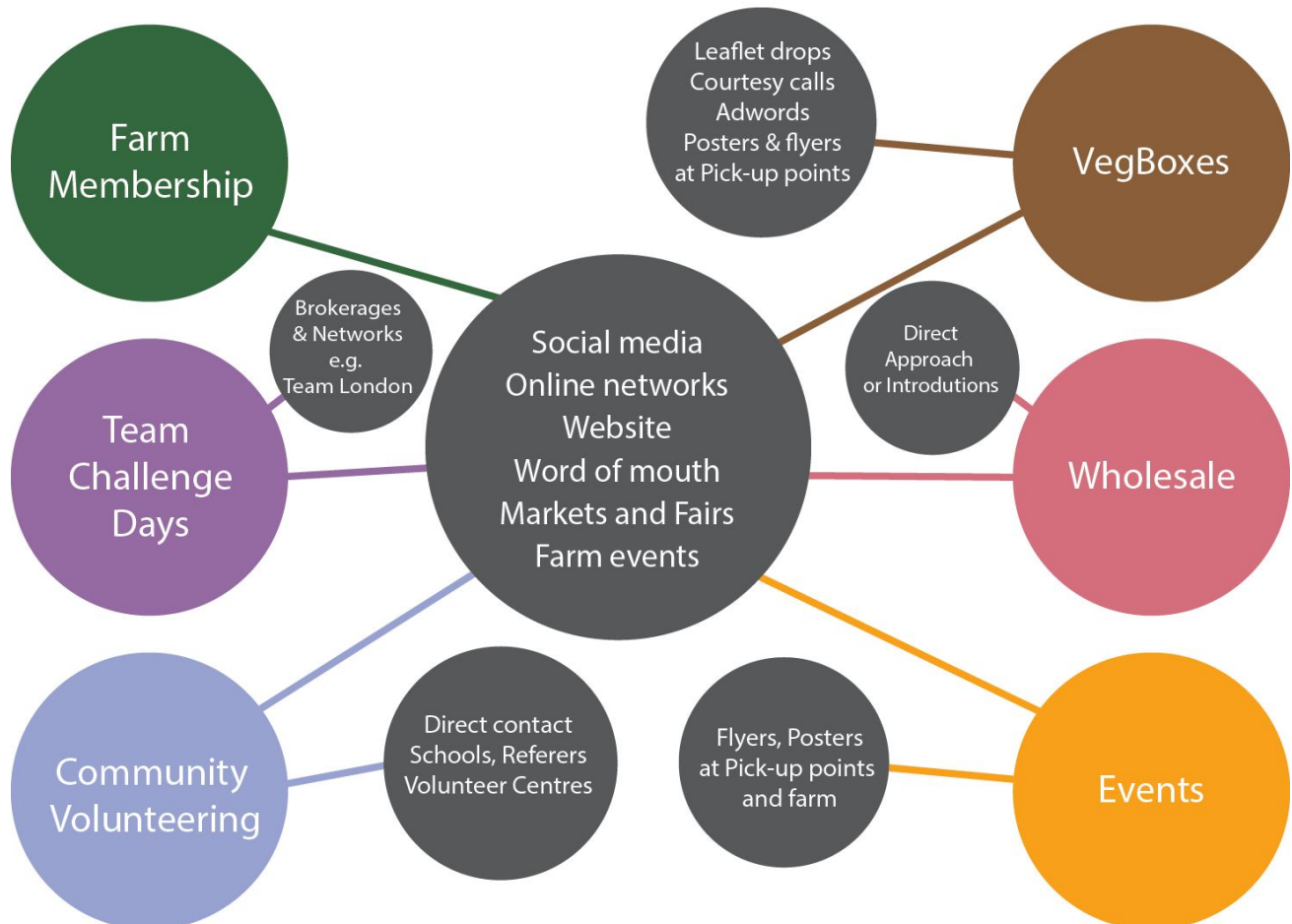
Team Challenge Days

Our Team Challenge Days are usually for medium to large organisations that encourage employee volunteering as part of their CSR. For example, we have previously had teams from Coca-Cola, Google, Reed Business, Royal College of Nursing, AIG Insurance, Lloyds Bank, Sutton Council. These businesses are usually looking for something unique, with activities that are practical, enjoyable and encourage team work.

6. Marketing Strategy

Each of our products and services are aimed towards different markets and there are different strategies on how we reach each type of customer. These are outlined in the graphic below.

Marketing Channels: How we reach people and organisations



There is a common thread to much of our marketing and this is to communicate our story, vision and values. We find that when these are effectively communicated, people are excited and want to be part of it. Some of the key themes in communications include:

- Community involvement and inclusivity;
- Quality and freshness;
- Professionalism;
- Passion for healthy living, nutritious food;
- Supporting livelihoods of food producers;
- An emphasis on education and knowledge sharing;
- Ethical and deeply green;
- Our uniqueness;
- A sense of fun.

Depending on the product/service being promoted, there is an emphasis towards certain

characteristics. For example, restaurants care more about quality, cost and freshness; a local authority are more concerned about our professionalism; a volunteer may be more interested in the inclusivity, education and environmental sustainability.

Here is a brief summary of our marketing strategy for each product/service:

- **Community Volunteering and Events:** we do not target specific groups and aim to attract a wide audience of people to volunteer and participate in our events.
- **Team Challenge Days:** as well as finding new organisations, we look to develop relationships that provide repeat business. Our strategy is based on business networking, relationship building and making the most of online networks and brokerages, such as Team London and Business In The Community. With businesses, we are looking to talk to senior managers or employees responsible for CSR. Our offer is described clearly on our website and we have generated complementary PDF marketing materials.
- **VegBoxes:** The [Sales and Marketing Strategy](#) for the VegBox scheme exists in a separate document. This covers market analysis, competition and marketing activities to find and retain customers.
- **Wholesale:** We are looking to continue developing relationships with similar types of restaurants in 2015-18 and have a separate production plan specifically geared towards serving their needs. When seeking new customers, we will try directly approaches, seeking introductions as well as networks and networking events.
- **Farm Membership:** our marketing strategy for membership is being developed and will involve press releases, online campaigns, and use the full range of our marketing channels.

7. Operations

1. Land and Key Assets

Our site and infrastructure: SCF is based on 7.1 acre leased site with 14,000 m² acres of cultivated land and 500 m² of protected cropping. We are open to expanding into additional neighbouring sites to increase production.

Tenancy and ownership: The land is owned by Surrey County Council and our Farm Business Tenancy is shared with Christopher Crow who uses the glasshouses on the site. The current lease started on 7th January 2013 and expires on 7th January 2019, with a rent review date in 2016. The lease is currently £2,400 per annum and Christopher Crow provides a small donation towards his usage of the glasshouses. Surrey County Council state an intention to raise our rent to £5,000 in January 2016. We understand that Christopher Crow is likely to exit before the end of the lease.

Key Assets: Grant funding has enabled SCF to set up the infrastructure needed to establish our operations. This includes:

- A site hut/office;
- Supplies of electricity and water to the site;
- A composting toilet;
- A shipping container and lean-to for storage space;
- A tractor and tractor shed; and
- Six polytunnels (protected cropping space).



2. Production

We keep the site as productive as possible, maximising the growing space and having a crop rotation that maintains soil fertility and minimises the spread of pests and diseases. Our polytunnels enable year-round production; with delicate crops in winter and a focus on tomatoes, cucumbers and peppers in the summer.

Our growing plan is revised annually in the Winter to reflect customer demand and is shared publicly on our website for educational purposes.

Organic status: we support the principle of Soil Association's Organic Certification scheme however we do not hold this status. At our scale, the benefits do not outweigh the costs and workload that would be incurred. In addition, there has not been a significant demand from our customers. Instead we operate a transparency policy, welcoming customers to the farm to learn about our growing techniques.

3. Distribution

VegBox service: Orders are placed on our website and we aim for customers to have an experience that is easy, clear and reliable. There is a minimum order of £10.45 and customers set up a repeat direct debits for their payments, via the payment processor GoCardless.

Suppliers: Selection of our suppliers is based on proximity and environmental sustainability. This is outlined in our *Food Sourcing Policy*⁷ and suppliers are listed on our website.

Customer management: all our customer queries are dealt with in person over the phone or email. All customers receive our weekly e-newsletter which contains cooking tips, a recipe and news from the Farm.

Deliveries for VegBoxes: are split over two days and are made via van to customers' homes or to convenient pick-up points for customers. Home deliveries cost of £1.50, whereas pickup points have free delivery. Pickup points are public locations such as a cafe, or at work spaces such as the Institute of Cancer Research. A map of pickup points is available at: bit.ly/suttondeliveries

4. Community-benefit: volunteers, events and education

Volunteer management: all volunteers are inducted into the farm by staff to ensure their experience is structured, welcoming, and that Health and Safety procedures are followed. All volunteers fill out an induction form that recognises their experiences, interests, captures emergency contact information and records any medical conditions that may affect their experience. This information is treated in confidence by the member of staff managing that volunteer. A farm tour provides introduction to the facilities and every visit to the site is recorded by signing in. A Volunteer Handbook provides the volunteer with key information and manages expectations.

⁷ www.suttoncommunityfarm.org.uk

Events: are organised by staff with support from volunteers. Each year we have a Harvest Festival in September/October. Other events are organised in response to opportunities. For example, when we wanted a new Cob Pizza Oven, we organised an event on how to build one, charging attendees a small amount to help cover the cost.

Education: all educational activities are centred around increasing the capacity of the farm's production and distribution services. Educational activities include growing, harvesting, improving the farm's infrastructure and maintenance of the site.

8. Costs and Pricing Strategy

1. VegBox Scheme

Average weekly customer spend is one of our key performance indicators and this has been increasing. In January 2015, it was £13.08, in August 2015 it was £13.42. In September 2015, we underwent a significant restructure of the size and prices of our Boxes and introduced new products, so we are expecting a further increase. This change has been well received and should increase the average customer spend to £15.42. Our Core Products and Prices are listed below:

Veg Boxes	Fruit Boxes	Fruit & Veg Boxes
Small: £10.45 - £11.75	Small: £6.50	£10.95
Medium: £13.45 - £14.75	Medium: £9.25	£13.95
Large: £17.25	Large: £12.50	
Family: £19.75	Bumper: £23.95	

Table: Our core products. In addition to these core products, we sell extra items.

The scheme charges a door-to-door delivery charge of £1.50 per household. Approximately 20% of our customers choose this option and the remaining collect from a pick-up point.

Major Historical Pricing Milestones

- **January 2012:** VegBox scheme started: 4 VegBag options and bread
- **April 2013:** increased to 10 VegBag options (classic and gourmet) plus 11 additional product options. We increased the minimum order value from £7.50 to £8.50, but kept the same mark-up.
- **January 2014:** discontinued classic bag options due to low demand and product confusion.
- **September 2015:** major price, product and packaging change

Price Comparisons Against Competitors

Riverford and Abel & Cole are two national VegBox schemes that most people compare us against. We regularly compare our product pricing, product and service presentation and special offers against theirs. We distinguish ourselves from these companies in our marketing, capitalising on the ultra-local, community-benefit selling points.

In the past, we have also conducted cost comparisons with mainstream supermarkets. In November 2013, price comparisons demonstrated that our VegBox was £4 cheaper than Waitrose and £1 more expensive than Tesco (when compared against their organic or “finest” range). On individual items SCF is often more expensive and we cannot be competitive against budget brands.

2. Corporate Volunteering

We generally charge for Corporate Volunteering days and this income supports our working capital. There is some flexibility in the costing depending on numbers and activity.

3. School visits

School visit activities vary depending on the season, weather and priorities. Examples include sowing seeds, clearing beds, mulching vegetable patches, harvesting and composting. We offer the following options to schools:

- **For primary years, a 2 hour introduction session:** this session includes a farm tour that engages pupils in the basics of food production, followed by an activity. Topics such as crop rotation, the plant lifecycle, soil health and seasonal eating will be covered.
- **For secondary years, a 2 or 4 hour session with lunch.** as described above.

4. Community Share Offers

People can become members of Sutton Community Farm by purchasing community shares. Community shares are £1 each and the minimum purchase is 30 shares. Our first Community Share offer was launched in September 2015 and our target is to have 250 members by 2016. Please refer to our Capital Investment Strategy (section 13) for further information about our Share strategy.

9. Governance and Management

Legal structure and governance

SCF is a registered society under the Co-operative and Community Benefit Societies Act 2014 (registration number: 32202R. This legal structure enables us to have Community Share Offers and supports our interests in being community-led, democratic, not-for-profit and existing for the benefit of the community.

At an Annual Members Meeting the farm membership elects a Management Committee. Irrelevant of the number of shares held by any individual, it operates as 'one member, one vote'. This ensures that we operate democratically. The Management Committee makes sure the farm is running well and is doing what it was set up to do. This includes supporting the mission of the farm and performing these three main functions:

1. **Strategic direction:** i.e. where are we heading and are we following our mission?
2. **Oversight:** i.e. are we on track? Does the farm have the money it needs and is it being spent sensibly?
3. **Compliance:** i.e. is the farm legally and financially compliant? Are we following our Rules as a society? Are the Health and Safety regulations adequately implemented?

Staff at the Farm are employed by the board of directors and are supported by many volunteers to achieve the organisational objectives. The diagram below helps explain this structure:

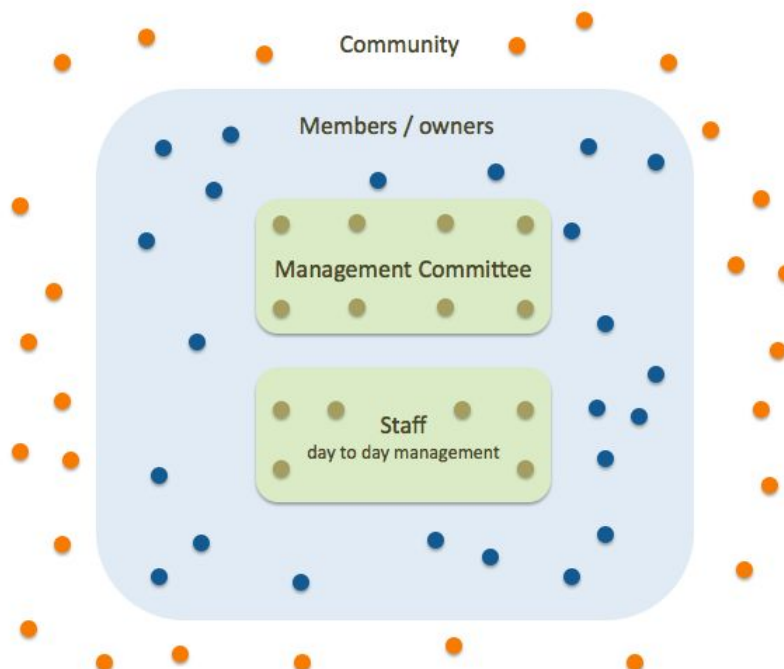


Figure. Diagram outlining the proposed structure of Sutton Community Farm. The outside dots represent the wider community that the Farm benefits. The blue dots represent members of the farm that share ownership.

People

What makes SCF a success is the passion and enthusiasm of its supporters, volunteers and staff. Together, we hold a diverse range of interests, skills and knowledge. We seek to encourage and empower all people in our community to work together.

In the core team of paid employees, we have the following roles. The General Manager is responsible for day-to-day management and business development, reporting regularly to the Management Committee on the activities of the farm.

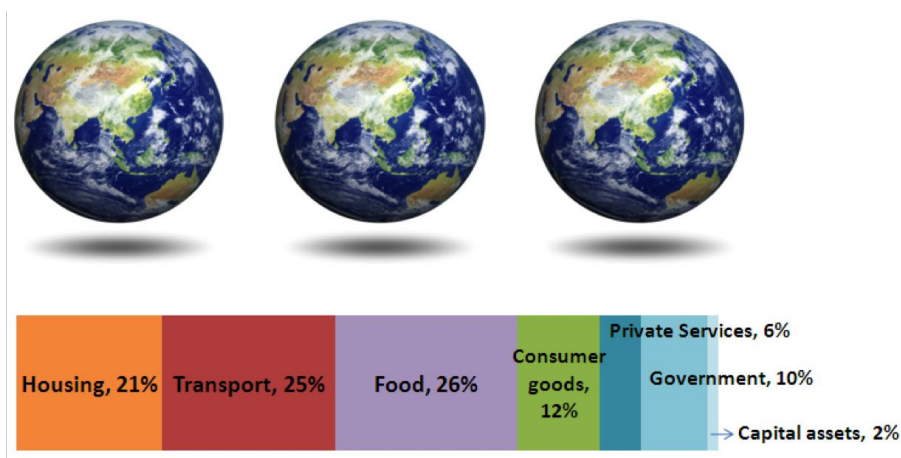
General Manager Responsible for: <ul style="list-style-type: none">- Business development- Budget management- Financial and legal compliance- HR: recruitment, line management and development- Health & Safety, insurance, lease management- Communications incl. website- Delivery of sales and other targets- Funder and partner relationship management- Reporting to directors and stakeholders- Supporting volunteers incl. processes for recruitment	Head of Production Responsible for: <ul style="list-style-type: none">- Developing and implementing farm production plan- Management of growing team- Developing training programme linked to production plan- Coordinating volunteers and group visits- Infrastructure planning and implementation- Site security- Maintenance and storage of materials and equipment- First Aid Box Checks- Purchasing equipment necessary to support activities
Community Coordinator Responsible for: <ul style="list-style-type: none">- Supporting and inducting volunteers and groups- Working collaboratively with Production Manager- Helping implement the farm's production plan	Finance coordinator Responsible for: <ul style="list-style-type: none">- Book keeping- Authorising payments- Supporting financial management of the farm- Reporting to Directors and stakeholders
Food Distribution Coordinator Responsible for: <ul style="list-style-type: none">- Coordinating the VegBox scheme- Distributing farm produce\- Working with other farms to increase access to local food- Increasing sales and implementing marketing strategy- Helping shape and development the VegBox service	Growing Apprentice Responsible for: <ul style="list-style-type: none">- Conducting growing activities effectively to help implement the farm's production plan;- Work collaboratively with the Head of Production; Supporting and working with volunteers at the farm;

Please refer to our website for further information about current staff and board members.

10. Managing Our Environmental Footprint

Resilient local food systems play a critical role in the future we need. Food is the largest component of our ecological footprint and our current food system is failing us at various levels⁸. At SCF, we do not claim to have all the answers, however we can offer a viable and deeply sustainable alternative to the cultural norm for our local community.

We believe every business should understand their environmental impacts and take responsibility for managing them. Our approach to looking at footprints starts with ecological footprinting. Ecological footprinting shows us that if everyone in the world consumed as many natural resources as the average person in Sutton, we'd need three planets to support us⁹. In the last 40 years our "ecological footprint" has increased by around 150%¹⁰. Left unchecked, this rise will undermine the foundations of life for hundreds of millions of people around the world – including access to water, food production, health and shelter. We need to reverse this and get our footprint down to a sustainable level.



One Planet Living is a positive vision of a world in which we are living happy, healthy lives, within the natural limits of the planet – and we have left sufficient space for wildlife and wilderness. With food the largest component of our ecological footprint, SCF aims to provide a practical, replicable solution for food which supports One Planet lifestyles.

Our farm is part of an international network of 'One Planet' communities, local authorities and businesses, co-ordinated by local sustainability experts [BioRegional](#). Sutton Council share this vision and have committed to work on enabling One Planet Living across the borough.

⁸ For a useful overview, see: Foresight, *The Future of Food and Farming* (2011). The Government Office for Science, London.

⁹ SEI Footprint data and methodology is openly available at: www.resource-accounting.org.uk

¹⁰ Refer to WWF Living Planet Report 2012: wwf.panda.org/about_our_earth/all_publications/living_planet_report

To take action on improving our environmental footprint and helping the footprints of our community, we maintain a [One Planet Action Plan](#)¹¹. This document comprehensively addresses our sustainability activity, centred around the One Planet Living Principles:



The ten principles of One Planet Living provide a framework that help us live within a fair share of the resources of the one planet that we actually have.

¹¹ Publically available at: <http://bit.ly/SCF-OPAP>

II. Financial Forecasts

Previous Income and Expenditure

Income and Expenditure from our previous annual accounts are summarised in Table 1, relating back to our first year of trading. These accounts demonstrate how we have build up a surplus, providing the organisation with some operating security.

Income and Expenditure	31.3.12	31.3.13	31.3.14	31.3.15
	£	£	£	£
TURNOVER	80,813	191,216	248,286	214,103
Cost of sales	14,015	40,624	52,889	53,097
GROSS SURPLUS	66,798	150,592	195,397	161,006
Administrative expenses	56,670	156,813	136,391	152,625
Other operating income	(603)	(4,959)	(7)	(1,139)
OPERATING PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	10,731	(1,262)	59,013	9,520
Tax on (deficit)/surplus on ordinary activities	2,150	(2,150)	10,247	2,128
SURPLUS FOR THE FINANCIAL YEAR	8,581	888	48,766	7,392

Balance brought forward	(67)	8,514	9,402	58,168
Balance carried forward	8,514	9,402	58,168	65,560

Table 1: Annual Accounts Summary: Income and Expenditure for previous years

Full copies of our accounts are available on our website: <http://bit.ly/scf-accounts>

Financial Forecasts

Our 3 Year Vision aims to reduce our grant dependency below 15% and diversify our income streams further. Our financial forecasts reflect this target are presented in Appendix 1. At the time of writing (September 2015), these are the best available set of forecasts. During the period September - October 2015, these forecasts are undergoing further development work to ensure they are fully accurate and reflect planned developments in our revenue streams.

As an illustration on how our income and expenditure breaks down, the table and figures below provide an expected breakdown of our income and expenditures in the 2015/16 financial year:

Cash In		
VegBox	£113,999	50%
Outreach education	£46,511	21%
Grant funding	£40,893	18%
Production: Wholesale	£19,057	8%
Corporate days	£5,570	2%
School groups and events	£550	0%
Total	226,579	100%
Cash Out		
Cost of sales (Veg box)	£46,095	17%
Other variable costs	£31,094	12%
Wages	£149,551	56%
Overheads	£38,334	14%
TOTAL	£265,073	100%

Figure: Expected Income breakdown for 2015/16:

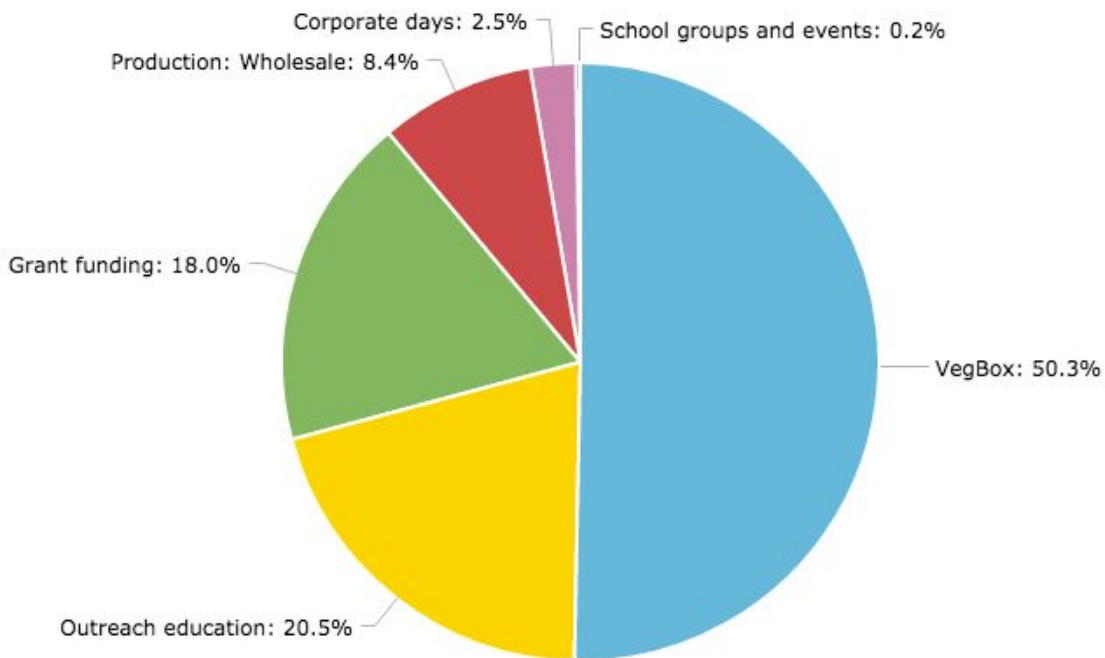
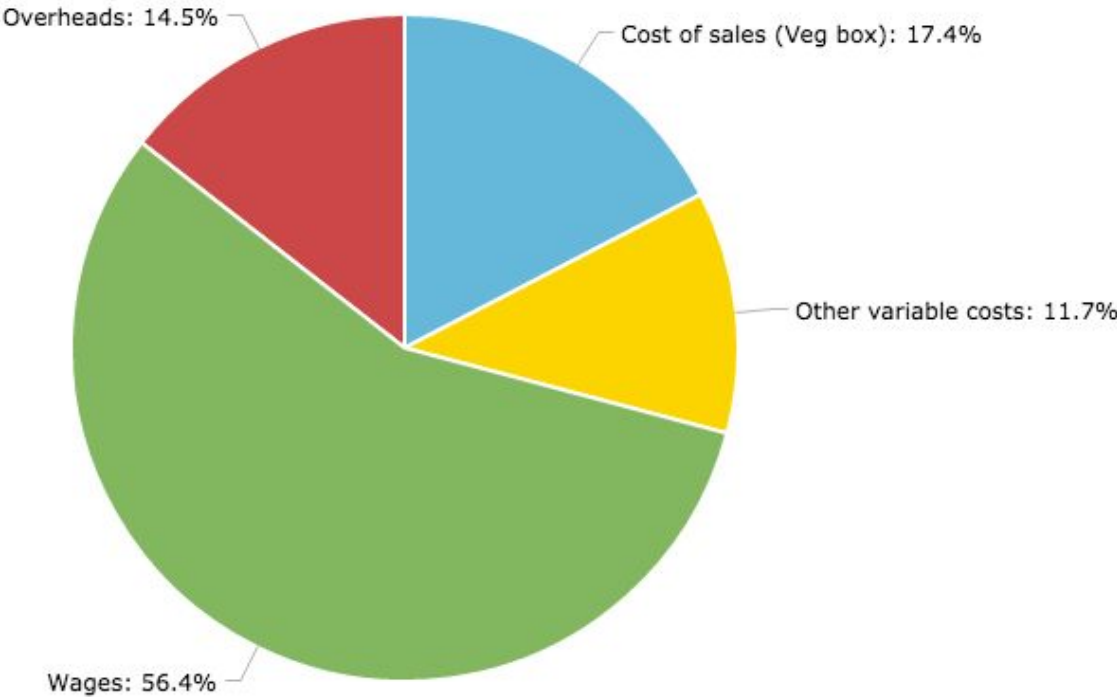


Figure: Expected Income breakdown for 2015/16:



Monitoring: Key Performance Indicators

SCF closely monitors Key Performance Indicators (KPIs) including customer numbers, product sales and income. Our forecasts are regularly updated as new information and strategies emerge. Please contact us if you are interested in learning more about our KPIs.

II. Capital Investment Plan & Community Shares

SCF has made good progress with a trend of increasing traded income and reduced reliance on grants. We intend to launch our Community Share Offer on 12 September 2015, open until 29th February 2016. This share offer has two aims:

1. Offering membership to the wider community to increase our local engagement and bring the advantages of our customers, employees, volunteers and supporters being co-owners;
2. To provide additional capital investment to allow us to grow and improve our benefit to the local community.

We have set our initial share offer at a level of £30 minimum investment. We believe this is a level which will attract a wide membership, that doesn't exclude those on low-incomes. We are encouraging those who can afford to do so, to invest a greater amount in support of the Farm.

There are three target levels:

Target level 1: £10,000

This is our initial membership drive and we're aiming for 250 new members. If we don't meet this target, investors will still be offered membership. £10,000 which will mean we have significantly increased our membership and have enough working capital to continue to improve the farm. The money will allow us to continue to improve the VegBox scheme, develop the site and invest in our tools.

Target level 2: £30,000

£30,000 will allow us to make some significant improvements. The current plans for this money will be a £20,000 investment into:

- Increasing farm visibility along Telegraph Track and Woodmansterne Lane with signage (£5,000);
- Construct a self-service produce stall so that people can buy produce on-site (£7,000).
- Improve our water efficiency by completing our rainwater collection systems, collecting water from every roof and connecting our storage ponds into our irrigation (£5,000).
- Complete a renewable energy study for roof and ground mounted PV, making our farm carbon positive (£3,000). Funding the PV installation may involve a further share offer with interest available.

Target level 3: £60,000

At this level, we will invest an extra £30,000 that give us the resources to put two exciting additional projects on a firm foundation:

1. Complete a Sutton FoodLab business plan and initiate steps towards renovating the glasshouses on our site. A FoodLab is a space for education and value-added production.

This will help turn produce from the farm and wider community into products such as jams, healthy juice drinks, popcorn, herbal teas and honey. It will also provide space to teach cooking skills and enable enterprises like our local baker to scale-up.

2. Power our deliveries by 100% renewables with a larger electric van, able to meet our projected customer growth.

The farm is not reliant on the money raised from the Share Issue. Our primary purpose is the growth in membership, to help us compete and the community benefit. There is no risk to the Farm if we fail to raise the capital and the main impact would be a delay in achieving our plans. If we fail to raise the minimum target £10,000 the intention will be to keep the capital invested and welcome those investors into membership of SCF. They will of course have the choice not to invest or to become members.

If we have not reached our higher target of £60,000 by 28 February 2016, we intend to move to an open membership offer. In this case, we will remove the suspension of withdrawals, so that members are free to withdraw their shares.

In the longer-term, we hope share offers will be eligible for tax relief.

13. Risks Register

Risk	Type of risk	Actions to reduce risk
Poor yields due to unexpected weather events and/or poor management → SCF does not achieve income forecasts	Financial	<ul style="list-style-type: none"> ● Maintain cash reserves to weather these events ● Ensure workload is well managed and volunteers and groups are coordinated to support the workload; ● Practice a good crop rotation to increase soil fertility; ● Use polytunnels to reduce impacts of severe weather events.
Difficulty achieving VegBox or Restaurant sales targets → farm does not achieve income forecasts	Financial	<ul style="list-style-type: none"> ● Ensure scenario planning considered in team planning for team resourcing if the farm faces economic difficulties. ● Close monitoring of key performance indicators for production and sales. ● Continually update the marketing plan based on feedback.
Volume of produce from farm varies through the year, creating potential for cash flow difficulties	Financial	Seasonality is recognised in our budget forecasting and the Farm aims to build up reserves to manage any problems resulting from fluctuations through the year.
Dependency on funding leading to financial difficulties if unsuccessful with fundraising	Financial	The Farm Manager will resource his time carefully between seeking grant funding and expanding existing and new revenue streams with a low-risk approach.
Increasing VegBox pricing leads to significant loss in customers → reduced cash flow	Financial	<ul style="list-style-type: none"> ● Prices will be kept in line with other major VegBox schemes e.g. Abel & Cole, Riverford ● Price elasticity analysis will determine how many customers we need to lose before it has a negative financial impact on cash flow. This will be kept within reasonable expectations. ● The price change will be communicated carefully and a 2-3 month grace period will give people time to transfer to the new products.
The leaseholding (land) is not secure post-2019	Other	<ul style="list-style-type: none"> ● SCF to have continued engagement with Surrey County Council to establish a strong relationship. ● Continue to ensure strong support for the farm across the community and within local and central government. Recognising, monitoring and promoting its value beyond financial measures.
Some of the labour is	HR	<ul style="list-style-type: none"> ● Recognise the staff's capacity for supporting

<p>provided by informal volunteers, some of whom require extra support from staff.</p>		<p>volunteers and create the right balance so that production work is achieved to achieve income forecasts.</p> <ul style="list-style-type: none"> ● Maintain our Buddy Volunteering programme that trains experienced volunteers to have the confidence and empowerment to support the volunteers that need extra support.
<p>Our products and services not competing with local supermarket prices, meaning our product is considered too expensive for the local community → poor sales and reduced income</p>	<p>Financial and reputational</p>	<ul style="list-style-type: none"> ● Build relationships with organisations and networks that can assist in making our produce more available to lower-income households. For example, Sutton Housing Partnership offering discounts, businesses supporting Office Veg Clubs, accepting Healthy Start Vouchers. ● Raise awareness about how food expenditure compares with other lifestyle-choice expenditures such as consumer goods, leisure and running a car.
<p>Farm's are dangerous places and the risk of accidents are high → Risk of human injury</p>	<p>Reputation, Financial</p>	<ul style="list-style-type: none"> ● Prevention through risk assessment and strong health and safety policy, resulting in necessary management actions such as training, guidance, signage and awareness. ● Emergency First Aid Training for all staff (completed in 2013). ● Insurance policy managed and updated annually to ensure appropriate cover.
<p>Surrey County Council not renewing the lease</p>	<p>Other</p>	<ul style="list-style-type: none"> ● Risk reduced through developing a strong relationship with officers and local Councillors; ● Ensuring the social and environmental benefit of the project is clear and well communicated; ● Ensuring the positive impact the farm has on the neighbouring land and tenants is recognised; ● Bringing together letters of support by stakeholders, businesses, members and neighbours.

For further risks management, please refer to our Health & Safety and Risk Assessment.

Appendix I: Financial Projections

Revenue forecast	2014/15	2015/16	2016/17	2017/18	2018/19
	Year 0	Year 1	Year 2	Year 3	Year 4
Sales	162,749	185,926	247,217	269,217	291,217
Cost of sales	53,097	60,177	88,064	95,841	103,673
Gross profit	109,652	125,749	159,153	173,376	187,544
Grant income	51,354	40,893	45,000	35,000	35,000
Total income	161,006	166,642	204,153	208,376	222,544
Overheads					
Salaries etc	100,378	149,551	161,000	164,220	167,504
Administration	44,041	35,404	28,558	28,708	28,778
Premises	2,400	2,400	3,500	3,500	3,500
Other overheads	0	0	0	0	0
Total overheads	146,819	187,355	193,058	196,428	199,782
Operating Surplus	14,187	(20,713)	11,095	11,948	22,761
Depreciation	4,667	4,503	12,127	11,596	11,197
Share interest	0	0	0	806	982
Members' dividends	0	0	0	0	0
Loan interest	0	0	0	0	0
Net profit	9,520	(25,216)	(1,032)	352	11,564

Balance sheet forecast	2014/15	2015/16	2016/17	2017/18	2018/19
	Year 0	Year 1	Year 2	Year 3	Year 4
Fixed assets	18,012	48,509	46,382	44,786	43,590
Current assets	103,438	83,000	92,197	96,000	117,000
Current liabilities	56,151	59,298	57,400	50,464	50,177
Net current assets (working capital)	47,287	23,702	34,797	45,536	66,823
Long term liabilities (loans)	0	0	0	0	0
Total assets less total liabilities	65,299	72,211	81,179	90,322	110,413
<i>represented by:</i>					
Share capital	300	30,300	40,300	49,091	57,618
Reserves (retained profit)	64,999	41,911	40,879	41,231	52,795
Total capital & reserves	65,299	72,211	81,179	90,322	110,413

Cash flow forecast	2015/16	2016/17	2017/18	2018/19
	Year 1	Year 2	Year 3	Year 4
Opening balance	55,779	30,066	41,161	51,094
<i>Cash in</i>				
Share capital	30,000	10,000	10,000	10,000
Loans	0	0	0	0
Grant income	40,893	45,000	35,000	35,000
Sales	185,926	247,217	269,217	291,217
VAT on sales	7,931	10,556	11,496	12,435
Total cash in	264,750	312,773	325,713	348,652
<i>Cash out</i>				
Fixed asset purchases	35,000	10,000	10,000	10,000
VAT on fixed assets	7,000	2,000	2,000	2,000
Cost of goods sold	60,177	88,064	95,841	103,673
VAT on cost of goods sold	0	0	0	0
Overheads	187,355	193,058	196,428	199,782
VAT on overheads	5,621	5,792	5,893	5,993
VAT due to HMRC	(4,690)	2,764	3,603	4,442
Loan interest payment	0	0	0	0
Loan capital repayment	0	0	0	0
Share interest & dividends paid out	0	0	0	0
Share capital withdrawals	0	0	2,015	2,455
Corporation tax	0	0	0	0
Total cash out	290,463	301,678	315,780	328,345
Closing balance	30,066	41,161	51,094	71,401