

Setting up a Local Food Hub



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Action Pack for Schools

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Summary

Food hubs are a fun way for children and school communities to learn about local food systems and how to run a self-sufficient social enterprise. This learning can have strong links to the school curriculum. A food hub can also be a source of income for the school.



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A food hub makes closer links between food producers and consumers than the supermarket system allows. It can reduce food miles, strengthen local food economies and build relationships between the people who grow and make food and those who eat it. To see some options for food hub models see www.sustain.org.uk

This pack is designed to help you set up a food hub in your school. It draws on the experience of 11 schools which considered the food hub idea as part of a NESTA-funded project between October 2010 and July 2011. This project used the Stroudco food hub¹ as a model.

Stroudco is a web-based market of local food producers offering produce to consumers who order online and collect from the school, paying a margin to the hub to cover costs.



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Quick start guide

1. Have a look at the Stroudco videoⁱⁱ and case studyⁱⁱⁱ to see if you like the idea.
2. Check that you have volunteer support to set up a similar food hub
3. Bring together the stakeholders – local food producers, potential consumers, other schools, community groups and volunteers (who could become paid workers). Discuss and plan the idea with them. Decide what to do with income from the hub.
4. Check access to a space for the food drop – maybe the school hall
5. Decide whether to set up the food hub as a separate business or make it an integral part of the school.
6. Register as a food business with your local Council.
7. Check your insurance cover.
8. Download the software from www.stroudco.org.uk and set it up on your website.
9. If you plan to trade frozen or chilled produce, set up a freezer and chilling facilities. Funding is available for capital and revenue set-up costs.
10. Sign up producer members and consumer members
11. Start trading monthly. Build up to fortnightly then weekly trades when you are ready.
12. Network with other hubs to share ideas and support.
13. Maintain links with all stakeholders by encouraging everyone to take a turn on a voluntary management/steering group.

Will a hub work in your school?

Before setting up a hub you may want to consider these factors.

Factors in favour

Primary schools tend to have more volunteer support from parents, whilst secondary schools have the option of involving the pupils more in the planning and operation of the food hub.

Schools with strong links to their local community will have an advantage in marketing their food hub to both consumers and producers.

Schools with a stronger network of local food producers will have a broader initial product list. But bear in mind;

- Food producers do not necessarily need to be farmers.
- Allotment holders are often keen to sell surpluses.
- Many people have fruit trees in their gardens which they don't make use of.
- Many people make produce such as cakes, biscuits, bread and preserves which they would be willing to sell.
- Once a food hub is set up it encourages the development of a local food production network by offering producers an easy route to market.

Issues to be aware of

The biggest hurdle to setting up a food hub seems to be finding the people to make it happen. Here are some options:

- Securing funding to pay the running costs of the hub (including a paid worker) until it becomes self-sufficient.
- Having a big enough group of motivated volunteers to share the set-up work.
- One or two people taking on the project on a voluntary basis with a view to building it up to a level where they can take an income from it once it reaches self-sufficiency.

Another issue is finding the appropriate physical resources. These include;

- A large enough space to do the 'food drop'. A school hall is ideal but it can be done in a classroom if trading volumes are small.
- Access to a freezer and possibly a fridge. This can be an issue for schools where the catering is contracted out. A way round this is to set up a freezer shed in the school grounds. See below for funding options.

Schools in very rural areas are likely to have a very wide catchment. Food hubs in these schools might consider running the food hub on school days so that parents can order the food on-line and the children take the orders home with them on the school buses.

The food hub as a source of income

As well as being a fun way for the school community to learn about local food systems, a food hub is a social enterprise which generates an income. The Stroudco model is based on paying a manager £10 per hour for 1.8 days per week once the hub reaches its target trading volumes of 200 consumer households spending an average of £32 per month each through the hub.

These are some of the other options for spending that income;

- The food hub can be run by volunteers (pupils, parents and/or community members). This leaves any profits as funds for the school.
- A sixth form can run a food hub as a way of raising funds for the sixth form.
- The hub can pay a manager a wage to run the hub with the school being paid an agreed monthly fee. Hub surpluses could be paid to the school as a bonus.



Links to the curriculum

Here are some suggestions for integrating a food hub into the school curriculum;

Business studies

- Business structures (small business / co-operatives / social enterprises)
- Case studies of the financing, logistics and marketing of the food hub
- Customer service issues
- Book-keeping
- Preparing monthly reports and annual accounts.

Geography

- Use of land
- Farming
- Waste (food and energy)
- Carbon footprints
- Human population (use of resources)

Food Technology

- Use of food
- Food preparation
- Nutrition
- Food handling

Mathematics

- Cash-flow forecasting
- Feasibility modelling

Science

- Plants and animals as food
- Use of food
- Nutrition
- Pesticides and insecticides
- Crops and crop rotation

ICT

- Website set up and administration
- On-line payment systems
- Use of advertising and communication methods

History

- Loss of UK food production and distribution infrastructure
- Dig for victory!

- Historical famines in the UK and Ireland

Testing the market

Once you have decided what you want from the hub in terms of income, you can do some financial planning (an ideal job for a sixth form). Cashflow templates are available from www.stroudco.org.uk

This financial planning will provide an indication of the consumer base necessary to support your hub. This in turn will influence the number of producer members you will need. It is important to have a few loyal producers to help start the hub who will be willing to stick with you in the early days while trading volumes are low. The more producer members you can sign up the more attractive the catalogue will be to consumers.

You can test the market by sending out a simple questionnaire to your school networks. To provide some background, you could include the Stroudco video link^{iv} with the questionnaire.

A similar questionnaire could be sent to local producers. To find their contact details, ask your local Council for a list or see www.bigbarn.co.uk

Getting started

A good way of building interest in a food hub is to hold a public meeting. Invite as many stakeholders as possible. This could include staff, governors, parents, pupils, community groups, local food and drink producers. You could invite someone from an existing hub to speak at the meeting or show the Stroudco video^v. You could follow up the presentation by asking people to consider the following questions in small groups;

- What are the pros and cons of setting up a food hub?
- How do you want it to work?
- What needs to be done?
- What can you do to help?

Take feedback from each group and end the meeting by confirming next steps. Who is going to do what by when?

Alternatively, if there are a few keen people who are willing to pick up the idea and run with it, you could skip the public meeting. This can be a quicker way of getting a hub started but beware, if the idea is seen as belonging to a small group of people, it can be harder to gain volunteer commitment to the project in the future.

Your food hub could be pupil-led, parent-led, community-led or a combination of all three. Bear in mind that if it is pupil-led, you will need a CRB-checked adult to work with the group and if you are hoping to build links to the curriculum, this will probably need to be a member of teaching staff.

A food hub can be a great way of building links with the local community. However, if the hub is being run pre-dominantly by the community, it is important to have a clear written agreement between the school and the hub management group – an example agreement is at www.stroudco.org.uk

You may decide to use the income from the hub to pay someone or a group of people to manage the hub. To support the paid manager(s) it can be helpful to have a volunteer management group to help steer the longer-term future of the hub. This group can be elected (or co-opted!) from the consumer and producer members and rotated regularly to bring in new management group members.

If there is already a food hub trading near to you, you could consider starting out as a satellite to that hub. This would involve your consumers joining as members of the parent hub and having an option on the catalogue to request delivery to your school. You would then need to arrange a rota of volunteers to collect the orders or share the cost of having it delivered. As trading volumes build, you can consider the option of setting up your own separate hub.

Start with a trial trade to check your systems, then build up slowly. Consider trading monthly to start with. Build up to fortnightly then weekly trades when you are ready.

What needs doing to set it up?

There are some early decisions that need to be made. These decisions could be covered at a further public meeting which could be facilitated to involve a wide range of people in the decision-making process. Alternatively, the management group could make these decisions, which include;

- Do you want the hub to be a part of the school or a separate organisation? If it will be separate, what legal structure should it have? Co-ops UK^{vi} offer free advice on legal structures for social enterprises.
- Deciding vision, objectives and principles of the food hub. You could start with the Stroudco ones – see www.stroudco.org.uk or write your own.
- Confirming policies e.g. do consumers pay a membership fee or a fee per order or do you charge a higher margin to cover your costs?
- How regularly do you want to trade? It may be that you only want a seasonal hub that sells autumn surpluses. You may want to start trading monthly until the hub is established then move to fortnightly, then weekly trading.
- Will you trade at a weekend when the school hall is likely to be more available or on a weekday so that parents can pick up their orders when they collect their children?
- Do you have a delivery service? Who will provide this and at what cost?
- Will you put any restrictions on the type of produce sold? Will it need to be organic? Will you set any animal welfare requirements? See the Stroudco producer joining form for a very demanding example!^{vii}
- Will you ask the producers to offer 'farm days' where consumer members can come and help work on the farm or do some fruit picking for a jam producer?
- Do you want the school to grow produce for sale through the hub? The Food For Life partnership^{viii} offers lots of support in this area.

Business planning

As with any social enterprise, it is good to have a business plan. Again you could start with the Stroudco one – see www.stroudco.org.uk or write your own. Other documents available from Stroudco for adaptation include the consumer member joining forms and producer member joining forms.

Here are some of the business planning areas to consider:

- Defining the mission, vision, principles and objectives of the food hub
- Legal structure of the food hub
- Staffing and management
- Financial planning
- Marketing
- Administration and customer service

Making Local Food Work^{ix} provide business planning support for new social enterprises.

Website

There are several software systems available for food hubs. Some involve paying a licence fee, some involve paying a proportion of turnover. For a full list of software options contact Sustain at www.sustain.org.uk

The Stroudco software system (which is available free of charge) needs to be set up on a website. Stroudco is offering a php application that runs on a web server. The application covers the full order cycle which has an ordering period, a cut-off date, notification of suppliers (usually 2 days before delivery to the hub) and administration of the distribution day.

The Stroudco software provides the framework for producers to add products and details of availability. It allows consumers to order produce for the next distribution day and then provides back end processing to allow the hub administrator to collate multiple consumer orders into single purchase orders for suppliers. It also includes distribution day processing to handle delivery, sorting, invoicing and statements. Please note this software needs to be set up on a website – it is not stand-alone software.

To register to download the software please download and complete and return the Stroudco registration form^x.

Stroudco does not have funding to provide support for the software to other groups although there are plans to set up a co-operative of groups using the software which could provide support to new groups' in the future.

Singing up producers

As mentioned above, here are some points to bear in mind;

- Food producers do not necessarily need to be farmers.
- Allotment holders are often keen to sell surpluses.
- Many people have fruit trees in their gardens which they don't make use of.
- Many people make produce such as cakes, biscuits, bread and preserves which they would be willing to sell.
- Once a food hub is set up it encourages the development of a local food production network by offering producers an easy route to market.

You may decide to start by only selling produce grown or made by parents and community members involved in setting up the hub. However, to make the hub appealing to a wide audience you are likely to need a wide range of produce available. This will mean selling the hub idea to established local producers such as farmers.

In the early days of trading it is likely that volumes will be small so it is good to have some committed producers who are willing to trade small quantities initially until turnover grows. To find local producers contact your local Council for a list or see www.bigbarn.co.uk

To sell the idea to producers, show them the Stroudco video^{xi} and talk to them about these benefits:

- Produce is ordered and paid for in advance - no waste
- The food hub does all the marketing
- The food hub handles consumers and takes their orders and payments
- Producers receive payment on delivery
- Producers receive a single purchase order by email in advance for all orders
- Producers can trade small or larger volumes
- Producers can trade only on dates that suit them
- Producers can offer produce as it is available. This is a good way of shifting gluts.
- Producers keep 92% of sale price
- No home delivery - make one drop of all the orders to the school
- The food hub is a not for profit social enterprise and controlled by producer and consumer members

Signing up consumers

Before you start trading make sure that there is a core of people willing to order through the hub. In this way the order volumes will be high enough to encourage the producers to carry on supporting the hub through the start-up phase.

Make it as easy as possible for people to join the hub. See the Stroudco joining process^{xii}.

Here are some ways to spread the word:

- Talk to your friends. Word of mouth seems to be the best way to grow food hubs.
- Have a stall at school fetes, community events, on the high street. Offer some local produce for sale and have a sign up form to collect details for the joining form^{xiii}.
- Send a press release to your local papers, stressing the benefits of the food hub (see below)
- Encourage the school children to design a leaflet to publicise the food hub. Put the leaflet in book bags.
- Have a regular article in the school newsletter with updates on progress and mini case studies of producers.

Here are some of the benefits to sell to potential consumer members;

- Access to locally-produced food
- Supporting the school
- Building a stronger local food economy
- Reducing food miles
- Supporting a local social enterprise which is providing employment and/or volunteer opportunities for school pupils and the school community



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Costs

The following table shows the projected set up and running costs for the first 3 years of trading for Stroudco food hub. The rightmost column strips out the essential costs – some of these may be over-estimated and will depend on your situation.

	y1	y2	y3	Essential costs
CAPITAL				
Shed	£5,465			£250
Scales	£250			
Trolleys	£88			
canvas bags	£425			
Freezer	£669			£200
insulated carrier bags, freezer blocks, collapsable boxes	£356			£356
banners, posters, credit union set-up, library books	£465			
computer and wireless printer	£494			
accounting software	£755			
Total capital	£8,967			£806
REVENUE				
CIC set up and annual returns	£35	£15	£15	£65
Manager @ £10 per hour	£6,500	£6,825	£7,166	
Recruitment of manager	£500			
Book keeper	£200	£210	£220	
Bursary fund for members on a low income	£41	£6		
Website development and IT support	£3,600	£1,600	£1,600	
Insurance	£268	£281	£295	£844
Accountant	£800	£840	£882	
Staff travel	£30	£20	£20	
Waste disposal	£200	£252	£265	
Advertising	£216	£100	£105	
Leaflet	£800	£500	£0	
Logo	£400	£0	£0	
Electricity	£50	£53	£55	£158
Telephone	£100	£105	£110	£315
Stationery	£200	£100	£105	
Postage	£30	£32	£33	
Social Enterprise Centre membership	£24	£24	£24	
Depreciation of equipment	£204	£214	£225	£143
Contingency	£2,300	£1,100	£1,100	
Total revenue	£16,498	£12,277	£12,220	£1,525
Total capital and revenue	£25,465	£17,714	£17,259	£2,331

Funding

There may be funding available from UnLtd^{xiv} to cover start up management costs until the hub becomes viable.

Other funding options are;

- Esmee Fairburn
- Tudor Trust
- Unlimited
- The A-Team Foundation
- Esmée Fairbairn Foundation
- JMG Foundation
- The Mark Leonard Trust
- Organix Foundation
- The Tubney Charitable Trust

Other resources

- *Sustain provide information for groups setting up food hubs. See www.sustain.org.uk*
- *Food For Life work with schools interested in growing food. See <http://www.foodforlife.org.uk/>*
- *Local United provide action packs to support new social enterprises to set up to tackle climate change. This includes a pack on local food initiatives. See http://www.localunited.net/?q=energy_packs*
- *Making Local Food Work provide business and legal support to new social enterprises. See <http://www.makinglocalfoodwork.co.uk/index.cfm>*
- *Healthy Schools programme provides a toolkit to support schools in planning and implementing health and wellbeing improvements for their children. The pack can be downloaded from [:http://www.education.gov.uk/schools/pupilsupport/pastoralcare/a0075278/healthy-schools](http://www.education.gov.uk/schools/pupilsupport/pastoralcare/a0075278/healthy-schools)*

Endnotes

- ⁱ The Stroudco website www.stroudco.org.uk includes a case study and other downloadable resources. For more detail contact nick.weir@localfood.org.uk
- ⁱⁱ View the Stroudco video at <http://www.youtube.com/watch?v=AJyYH8OJoww> or download it to view off-line using <http://www.ant.com/video-downloader/>
- ⁱⁱⁱ Download the Stroudco case study from www.stroudco.org.uk
- ^{iv} View the Stroudco video at <http://www.youtube.com/watch?v=AJyYH8OJoww> or download it to view off-line using <http://www.ant.com/video-downloader/>
- ^v View the Stroudco video at <http://www.youtube.com/watch?v=AJyYH8OJoww> or download it to view off-line using <http://www.ant.com/video-downloader/>
- ^{vi} See Co-operatives UK publication; 'Simply Legal - structures for social enterprises' at http://offline.cooperatives-uk.coop/live/dynamic/publicationview.asp?pub_id=92C2810A-0FA6-49B8-9756-A91BF8604E02 and see also 'Legal and Organisational Structures for Local Food Initiatives' at www.makinglocalfoodwork.co.uk/about/gs/Legal.cfm
- ^{vii} <http://www.stroudco.org.uk/join/fullmember>
- ^{viii} <http://www.foodforlife.org.uk/>
- ^{ix} Making Local Food Work provide business and legal support to new social enterprises. See <http://www.makinglocalfoodwork.co.uk/index.cfm>
- ^x To download the registration form please go to <http://www.stroudco.org.uk/how-it-works> and scroll down to 'Copying Stroudco'
- ^{xi} The Stroudco video can be viewed on-line at <http://www.youtube.com/watch?v=AJyYH8OJoww> or downloaded to view off-line using <http://www.ant.com/video-downloader/>
- ^{xii} <http://www.stroudco.org.uk/join/tempmember>
- ^{xiii} <http://www.stroudco.org.uk/join/tempmember>
- ^{xiv} http://www.unltd.org.uk/template.php?ID=10=level1_examples