

Wellington Community Food Ltd



A vision of community
food for Wellington

Contents

Executive Summary	2
Introduction	3
Who we are	4
Objectives	4
Governance	5
Legal Structure	5
Governance arrangements	5
Relationships with other organisations	5
Plans for membership development	5
Vision statement	7
Mission statement	7
Objectives of the Community Benefit Society	7
Social and environmental impact	7
Resources	9
Paid staff	9
Volunteers	9
The land	11
Proposed business activity	16
Vegetable and fruit sales	16
Public Goods	16
Educational services	17
Investor membership	17
Marketing objectives	17
Analysis of existing market	18
Capital works	19
Summary of capital works required	19
Breakdown of capital elements	19
Finance	21
Introduction	21
Business Plan Overview	21
Summary	21
Forecast Incomes and Costings	22

Commentary	22
Rationale for Income and Costings	23
Summary of Costings and Activities over 6 Years	24
Opinion and Analysis	25
Graphs Showing Income, Expenditure and Closing Balance years 1 - 6	27
Graphs Showing Income, Expenditure and Closing Balance Year-on-year	28

Executive Summary

Wellington Community Food Limited is a Community Benefit Society¹ and member of the Community Supported Agriculture Network² established with the purpose to engage its members and neighbouring community in the production, distribution and cooking of local seasonal vegetables and fruit. Members of the community will have the opportunity to participate in seasonal activities that support the work of the farm and local schools and community groups will be able to use the farm as an educational resource to help raise awareness of the Climate and Ecological Emergencies and how lifestyle and consumption choices can have a positive impact on the planet. We also aim to make access to produce equitable by supporting local food initiatives and ensuring produce is affordable through exploring ideas such as selling produce through an honesty box. We will also develop links to support the local food bank to supply fresh produce within their service.

This is a living document and will be amended and revised as the project develops, it will be used to support engagement with potential private and public investors/funders to demonstrate the vision and activities of the farm and the social benefits it will offer the community.

Wellington Community Food Limited will follow regenerative farming principles ensuring that it embraces food production in a way that: creates biodiversity, supports healthy soils, protects water quality in the River Tone, provides a resource for the local community to enjoy, is a socially responsible employer and is financially sustainable. In the short term we do not intend to become registered as an Organic farm but will grow produce using organic principles.

In this business plan Wellington Community Food Limited proposes to operate on 18 acres (7.3ha) of land on an area known locally as Hilly Head, the site is within 2km of easy walking and cycling from Wellington, Tonedale and Rockwell Green, whose combined population is around 17,500. This site has been identified as a potential location for a community farm and early discussions have been had with the current owners, there is no formal agreement to start farming the land. This project has partnered with Somerset West and Taunton Council (SWT), Wellington Town Council, to explore options to access land for the project with the current owners. There is currently no public access to the land described in the plan. However the core of the plan is relevant to any future land opportunities that become available and will be adapted if alternative sites are identified in the future.

An estimated capital investment of £300,000 will be required to establish the farm infrastructure and provide working capital to start growing. This will be funded by a combination of grant funding applications, public and private investment and a community share offer, loans may be sought to fund any temporary shortfall but this is not a preferred option. The share offer will be launched following industry best practice, with a Community Shares standard mark. These will be offered to the local community to buy as withdrawable shares on which interest will be paid when finances allow while they are held. The business plan will outline how this can be achieved as part of a productive and profitable business.

We thank the support of Canalside Community Food and other CSA network members for sharing their experience to support the production of this document. We also thank the Apricot Centre for their support in developing the financial model and to Wellington Town Council for funding the Apricot Centre's involvement.

¹ Registered with the Financial Conduct Authority, 05/01/2022, under the Co-operative and Community Benefit Societies Act 2014. Registered number: 8788.

² <https://communitysupportedagriculture.org.uk/>

Introduction

The aim of this document is to set down the principles by which we intend to run Wellington Community Food, our strategic aims, and the means by which we intend to achieve them. The scope of this business plan is to outline how we are a Community Benefit Society³ (CBS) and member of the Community Supported Agriculture network⁴. The plan covers the process of raising a community share offer, and shows how we will establish a new farming enterprise that will generate a financially viable business that can generate a reserve to support itself and the social purposes it is set out to deliver.

Wellington Community Food has been established as a CBS, registered with the Financial Conduct Authority. This was considered to be the most appropriate business structure because it:

- Provides a structure to allow funds to be generated through a Community Share Offer.
- Sets a clear social purpose to potential grant funders and investors in the public or private sector.
- Allows community members to control the management of the organisation through a one member, one vote democratic process.

The business will generate income from two core business activities. Firstly through weekly sales of fruit and vegetables direct to customers and through local wholesale to shops and food businesses. Secondly we intend to develop a range of educational access opportunities that will generate income from a range of sources to provide services such as opportunities for horticultural therapy, and establish a programme for local schools to visit the farm.

In addition to the income generating elements of the business the objective of Wellington Community Food is to root itself in the community of Wellington, Rockwell Green and Tonedale. The local community will be encouraged to participate in the running of the farm through a range of volunteering such as regular work parties and events based around the growing season. The farm will also provide learning opportunities for processing and preserving fresh produce.

The objective of the business plan is to be a guidance document for the directors, elected from the membership of the CBS, allowing them to effectively oversee the ambitious capital investment plan necessary to establish the farm. The main objective will be achieved by inviting investors, corporate or private, to invest in the CBS through a community share offer, and by putting in place conditions to be able to offer annual interest on shares as well as the capacity to buy back shares when requested or required. Investors will become members of the CBS and be encouraged to participate in the running of the business through our AGM and democratic processes set out in the organisation's rules.

The business plan is intended to be a working document, one which we will modify from time to time to reflect changes within and external to the business, and as the business develops. We intend it to be a document to which all our members have access, and are invited to comment on and participate in its development. However, as the document that supports our share offer, we do not intend to substantially deviate from this document without first obtaining the consent of our members.

Photo Right: Greenslate Community Farm, produces fresh veg on the outskirts of Wigan.



³ Registered with the Financial Conduct Authority, 05/01/2022, under the Co-operative and Community Benefit Societies Act 2014. Registered number: 8788.

⁴ <https://communitysupportedagriculture.org.uk/>

Who we are

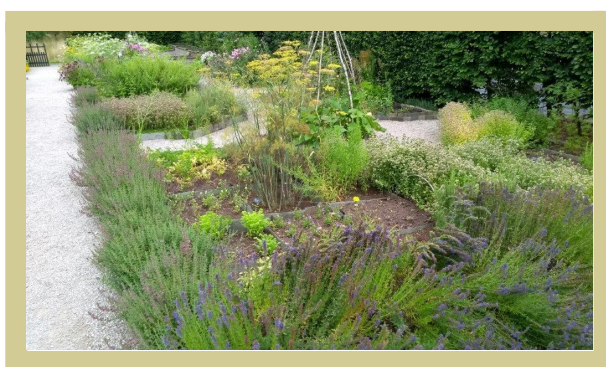
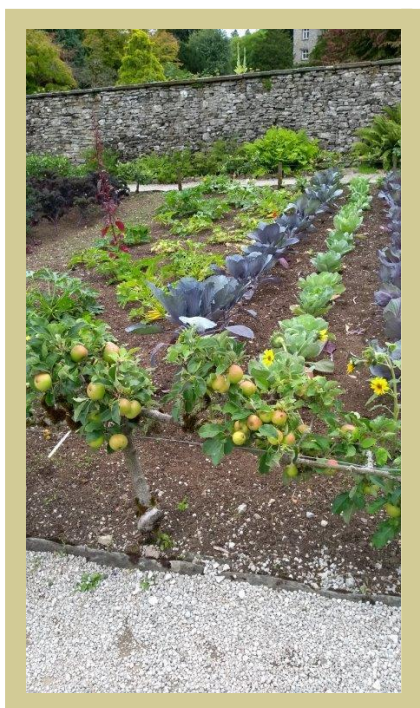
Wellington Community Food Limited is:

- A farm enterprise that produces local, seasonal, vegetable and fruit.
- A working farm that provides ethical employment and volunteering opportunities.
- An organisation that connects our members and other people in our community with farmland, agriculture and wildlife.
- A space where local community members and groups can achieve physical and mental health benefits.

Objectives

No.	Objectives after 5 years
1	Establish a 18.5ac (7.5ha) farm including a mix of market gardening, perennial cropping with the potential to supply 150 weekly veg boxes and supply a range of wholesale customers including retailers, restaurants and cafes. Generating an income of ~£156k/yr by year 5.
2	To employ one full time grower in year 1 increasing to include an assistant grower by year 5 to support the management of the land and facilitate volunteer activity to support the production of fruit and vegetables and the management of high value wildlife habitats. Total staff costs ~£53k/yr in year 5.
3	To employ a farm administrator from year 1 to oversee the financial operations of the business and coordinate volunteer activity and marketing of produce. 0.3 Full time equivalent role. Cost ~£8.5k/yr
4	To employ a farm education officer from year 1 to oversee the delivery of educational activities. 0.3 Full time equivalent role. Cost ~£8.5k/yr
5	Establish 5ac or 2ha of nature rich habitats within areas of the site. Equivalent to approx 25% of farm.
6	To be an ethical employer and to commit to the principles of CSA, with the members of the CBS sharing the risks and rewards of the farm business, enshrining the principles of fair trade.
7	To develop links with other local producers, retailers and other local businesses to collaborate and share knowledge to strengthen the Wellington food community.

Photo: Incorporating design features within growing areas such as the fruit tree borders and the herb garden below at Sizergth Castle will help create an environment people will enjoy visiting and spending time.



Governance

Legal Structure

The preferred structure for the organisation is a Community Benefit Society (CBS). A range of different structures were considered however a CBS provides the organisation with the most flexibility to access capital grant funding and raise capital from members. A CBS is also a clear statement of the intentions of the organisation to be a part of the local community by ensuring within its rules that any profits generated are invested in delivering the social benefits we are founded on and that any assets are also locked to ensure that no individuals or private business can profit from their disposal. As a CBS the organisation will be able to enter agreements with other businesses to deliver services on the farm, this may include but not limited to partnerships to support fruit and veg production or educational services. Partnerships will be considered on the basis of continuing to support the social benefits the CBS was established to serve and subject to adoption by the CBS governance rules.

Governance arrangements

Governance is set by the rules of the society, the CBS has been formed using the standard rules that were considered to be suitable for the purposes of Wellington Community Food. These rules can be changed through the processes set out within the rules. A Community Benefit Society (the Society) is governed by a Board (known to the members as the Steering Committee) elected from among the members according to the Society rules (see Appendix 1). The Board is accountable to the members through the Annual General Meeting (AGM), and undertakes to run the Society in an orderly and legal manner, and submit all the necessary legal paperwork (annual returns, tax returns etc..) and ensure the organisation is properly insured. In addition to the AGM, the Board also meets on a monthly basis to discuss the business of the Society and ensure that proper strategy, policies and procedures are in place, and that due diligence is taken for all the Society's activities and business. Members are able to attend and/or inspect the minutes from these meetings. The Board is responsible for employing staff to execute the aims and objectives of the Society on a daily basis, and are answerable to the Board at the regular Board meetings. Current proposed staff comprise Head Grower, Assistant Grower, Administrator, and Education Officer. Job descriptions are being developed and will be modified from time to time to reflect duties.

Relationships with other organisations

The intention is to develop relationships with other organisations to provide a therapy, welfare and educational setting for other community groups in Wellington. These contacts will be approached individually as the project develops to identify how they might want to use the farm and what access needs and resources they would require. Below are examples of organisations we hope to engage with.

- Local schools - All local primary schools: Beechgrove, Rockwell Green, Wellesley Park, St John's, IKB. Courtfields Secondary School. Wellington School
- Pre schools and nurseries - Bouncy Bears, Waterloo Road, Blackdown Hills Nursery.
- Home educators
- Reminiscence Learning Wellington
- Scout and Guide Groups
- GP practices and other health care settings.

Plans for membership development

The proposal is to initially have a single investor membership. A community share offer will be launched with the aim of selling shares to the local community and businesses to help raise capital for farm infrastructure and provide working capital for the business. These investors will become members who have invested in the community share offer in order to raise the capital to buy land. We aim to raise £150,000 (50% of the capital investment requirements) in shares. Shares will have a nominal value of £1 although a minimum shareholding of £10 will apply to investor members. Shares will be withdrawable (capable of being withdrawn from the Society), non-transferable and subject to a 2% annual interest where prudent. A maximum shareholding of £150,000 will apply and investor members will have one vote irrespective of the number of shares held.

In the future we will consider expanding the membership to include Produce Share Members who subscribe weekly or monthly for a 'share of vegetables and fruit' and would comprise the majority of members. It is expected that there would be a turnover of produce share members through the year and there would be a constant need to recruit new members as part of the operation of the business. A third type of member could include Social Members. Social Members would donate an annual subscription to the CBS in order to support its objects and to support its work with community groups

A single type of membership is considered sufficient for the establishment of the farm, by setting a low minimum investment we hope to engage high uptake in community ownership of the farm would inspire members to engage and invest time, energy and resources into the CBS activities with the confidence that the benefits would remain with the community into the future. Ownership would also inspire confidence to allow the CBS to invest in longer term environmental goals of land stewardship such as hedge planting and soil improvement. This will also help to leave a positive and lasting legacy for future generations to enjoy and preserve.

Vision statement

Wellington Community Food believes that communities should be highly connected to, and have ownership over, the techniques, technologies and policies of food production and distribution, and supports community networks where healthy, affordable food is produced and distributed ethically, sustainably and in harmony with our natural environment.

Mission statement

Our mission is to improve peoples' lives and the environment by:

- Engaging our local community in the sustainable production, processing and distribution of their food, to build their knowledge and ownership over their food supply.
- Providing sustainable livelihoods to those who grow, process and distribute our food.
- Stewarding and protecting the land we cultivate as a community resource for future generations, building resilience into our local food system, whilst growing biodiversity.
- Working with other communities to support their endeavours to create similar community supported agriculture projects where the risks and rewards of our food system are shared.
- Improve food equity in the community by making produce available on a pay what you can afford model using an honesty box.
- Surplus produce will be given to local food poverty projects such as The Trussell Trust food bank in Wellington.

Objectives of the Community Benefit Society

The objects of the CBS shall be to carry on any business for the benefit of the community by encouraging access to sustainably managed and maintained land in Somerset in order for inhabitants to participate in activities that will increase their understanding and involvement in the growth and consumption of local sustainably produced food without the use of artificial fertiliser and pesticide alongside the conservation and creation of biodiversity.

Social and environmental impact

Wellington Community Food is committed to encouraging the use of the site by the community, and being an example to the wider community of people interested in Community Supported Agriculture (CSA). Wellington Community Food will aim to provide an active social space for the local community.

The CBS will:

- Engage members in volunteer farm work, events linked to the land and seasons, and learning opportunities in land based activities.
- Create a space to celebrate the farm and its activities. Families are actively encouraged to bring their children onto the farm to play and learn and the CSA will provide a safe and hospitable social space for this.
- Provide an active social space for the local community and to provide opportunities for the wider community to attend farm events and celebrations such as a Summer Party, jam making, apple pressing and other workshops.
- Participate in national events such as Open Farm Sunday and National CSA Day which promote farm visits from the general public.
- Facilitate local schools visits and visits from other groups such as wildlife groups.
- Be active in the wider CSA Network UK in order to facilitate the establishment of similar farms in other communities.

Wellington Community Food is also committed to farming in a regenerative manner for the benefit of biodiversity, soil health, water quality, climate and people, and will:

- Commit to farming in the most environmentally sensitive manner possible that is consistent with producing shares for our members.

- Improve soil organic matter to retain carbon and improve soil structure through use of compost, Green Manure and where appropriate Green Waste Compost.
- Reduce use of clean irrigation water by using water conservation techniques and water harvesting technologies.
- Farm with an aim of recycling or reducing our resource use as much as possible consistent with maintaining the quality of our produce.
- Maintain our boundaries, hedgerows and unused land so as to enhance its biodiversity as much as possible.
- Encourage our members to reduce the use of single use plastic packaging by encouraging them to use their own packaging and bags.
- Aim to have plastic free or no packaging on produce sold from the farm and use reusable boxes/bags for veg sales.
- Produce as much of our own energy as possible by utilising roof space for solar PV.

Wellington Community Food will have in place the following policies in advance of operating the farm to ensure that appropriate management procedures are in place to deliver our objectives and strategies as well as our social and environmental impact:

- Safe-guarding policy and procedures
- Volunteer policy
- Environmental policy
- Health and safety policy
- Equality, diversity and inclusion policy
- Bullying and harassment policy
- General Data Protection policy

These are reviewed by the board on a regular cycle.

Resources

Paid staff

The main activities of Wellington Community Food will be overseen by the board and once in place paid staff including growers and administrator. Employed staff will report to the board who have responsibility for the business and represent the members.

Proposed roles are:

The **head grower** will have overall responsibility for all horticultural operations and will report back to the steering committee on a monthly basis and ensure staff meetings take place. The role is expected to be 1 FTE from the start of the project in 2022.

The **assistant grower** will work with the head grower and cover holidays or other absence of the main grower. The role is expected to be 0.5 FTE. The role will be recruited in line with expansion of sales

Growers will be formally employed (with statutory rights and pensions) and receive £10.60p per hour rising at least in line with RPI on an annual basis. Pay levels will be reviewed from time to time by the steering committee in line with our strategic aims and may be raised more than this. Job descriptions are available in annex 1.

Other specialist growers or advisors may be employed from time to time (e.g. summer grower, fruit grower) as necessary.

Casual labour may be contracted on a self-employed basis during times of peak labour demand. Current wage rates are £9.00 per hour, in line with the living wage raising in line with staff pay.

A **business administrator** will be employed to deal with membership such as: maintain lists of produce share members, managing payments, members newsletters, publicity and events. They will also be responsible for business administration maintenance by supporting the board, providing financial information, liaising with accountants, managing payroll and tax etc and managing publicity. This role is estimated to require 1.5 days per week and could be divided into two roles (general and financial). Admin staff will be paid £10.60 per hour and wages will rise in line with RPI. Hours and remuneration will be reviewed by the steering committee in line with strategic objectives. Additional professional services may need to be contracted out.

An **Education officer** will be employed to support education and other outreach projects. Initially this role will be for 1.5 days per week. Employment costs will be covered by income available from Countryside Stewardship educational payments from Jan 2023 and other grants as appropriate in the interim. Further grant opportunities will be explored to support additional resources to increase capacity beyond 1.5 days. This role will liaise primarily in the first year with local school groups to coordinate dates, agree activities and deliver visits.

Action – develop full job descriptions.

Volunteers

Volunteer roles are a valuable asset for, and an integral part of, Wellington Community Food. All members are encouraged to take part in farm, management and publicity activities where appropriate or where they have experience. Volunteers provide valuable support and morale to the paid staff. We encourage all members to get involved with farm activities on a voluntary basis and numerous roles are open to members including, but not limited to:

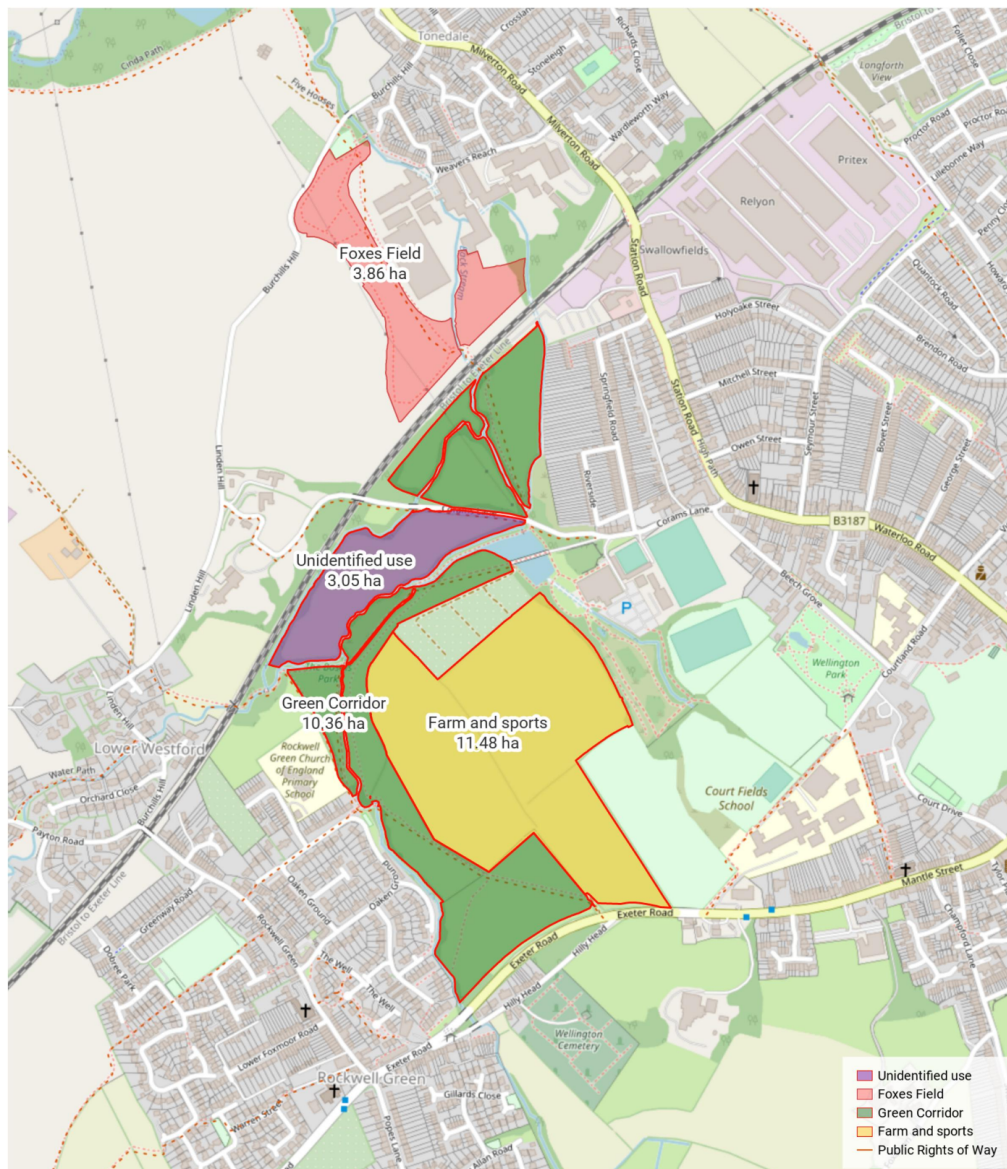
- Farm work (planting, weeding, harvesting etc.)
- Produce sales and/or deliveries
- Mentoring paid staff

- Assisting at school visits
- Organising and/or running socials, workshops and learning events.
- Cooking at social events
- Maintaining the social area and children's play area.
- Staffing stalls at events.
- Publicising the farm at events and meetings.
- Administrative and IT support to the general administrator
- Laundry, recycling and rubbish collection

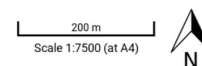
The land

Wellington Community Farm has not yet secured access to a specific area of land. The business plan is being developed based on an assumption that a tenancy will be available to manage 18ac of land, known locally as Hilly Head, should the land come into public ownership. In Jan 2022 Somerset West and Taunton (SWT) identified funding to purchase the land, subject to SWT process and approval, Wellington Town Council voted on a recommendation to offer a back up plan to apply to the Public Works Loan Board if the SWT proposal is not successful. This land will form part of the Wellington “Green Corridor” project that will form a corridor approximately 1.5 miles long from Tonedale Mill to Rockwell Green south of the railway and north of the town. See maps below.

Wellington Green Corridor



Produced on Oct 10, 2021.
 © Crown copyright and database right 2021 (licence number 100059532). Reproduction in whole or in part is prohibited without the prior permission of Ordnance Survey.



The Wellington Green Corridor will comprise of the Foxes Field project run by Transition Town Wellington, the improvement of access through:

- the provision of multi user access paths,
- habitat creation for wildlife,
- extension of existing allotment provision at the Basins allotment site and
- the development of youth sports pitches led by Wellington District Sports Federation.

A working group has been formed to develop a vision for the Green Corridor and develop funding opportunities to secure ownership of the land for the future of the community. The working group consists of representatives from:

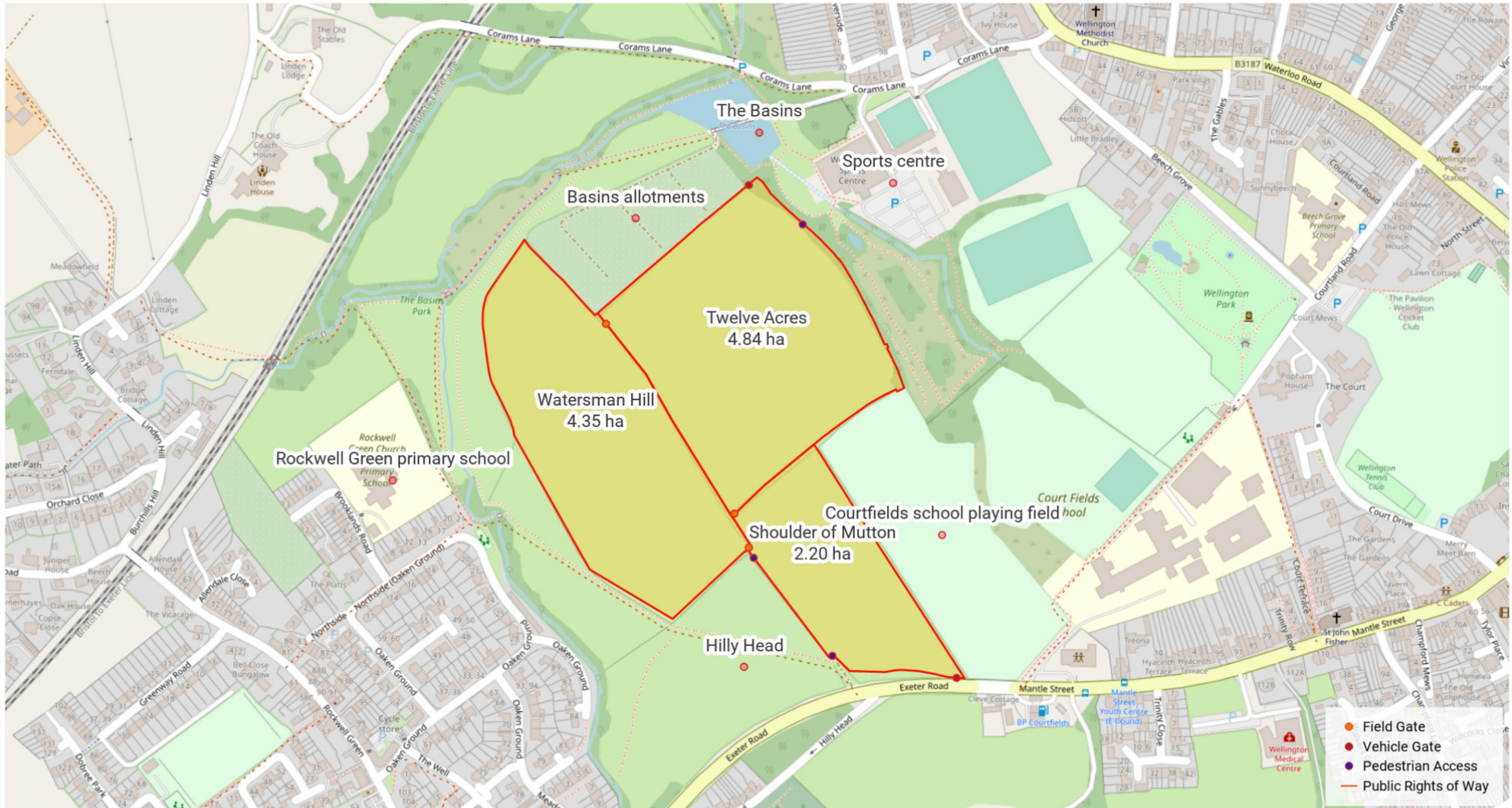
- Wellington Town Council,
- Somerset West and Taunton Council
- Wellington Community Farm,
- Transition Town Wellington,
- Wellington Mills CIC,
- Wellington District Sports Federation

The area identified for the farm consists of three field parcels. These are named based on the historic field names from the Tithe Maps as:

- Twelve Acres - A flat square field extending to 12ac (4.9ha) at the northern end of the site.
- Watersman Hill - Previously part of two fields Hilly Field (southern half) and Watersmanhill (northern half), 8.5ac (3.45ha, an additional 0.84ha of this parcel is identified as a potential extension to the existing Basins allotments.)
- Shoulder of Mutton - Part of a historically larger field that includes the Courtfields School playing to the east and Hilly Head to the west. 5.3ac (2.15ha)

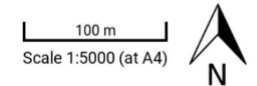
In total these fields extend to approx 26ac (10.4ha), initially 2.89ha of Twelve Acres has been identified for youth sports provision. Wellington Community Farm is working with the Wellington District Sports Federation in the early outline design of the site to scope the needs of each project and integrate the uses. Also 0.8ha of Watersman Hill could be used for the extension of the existing Basins Allotments.

Fields for farm and sports use



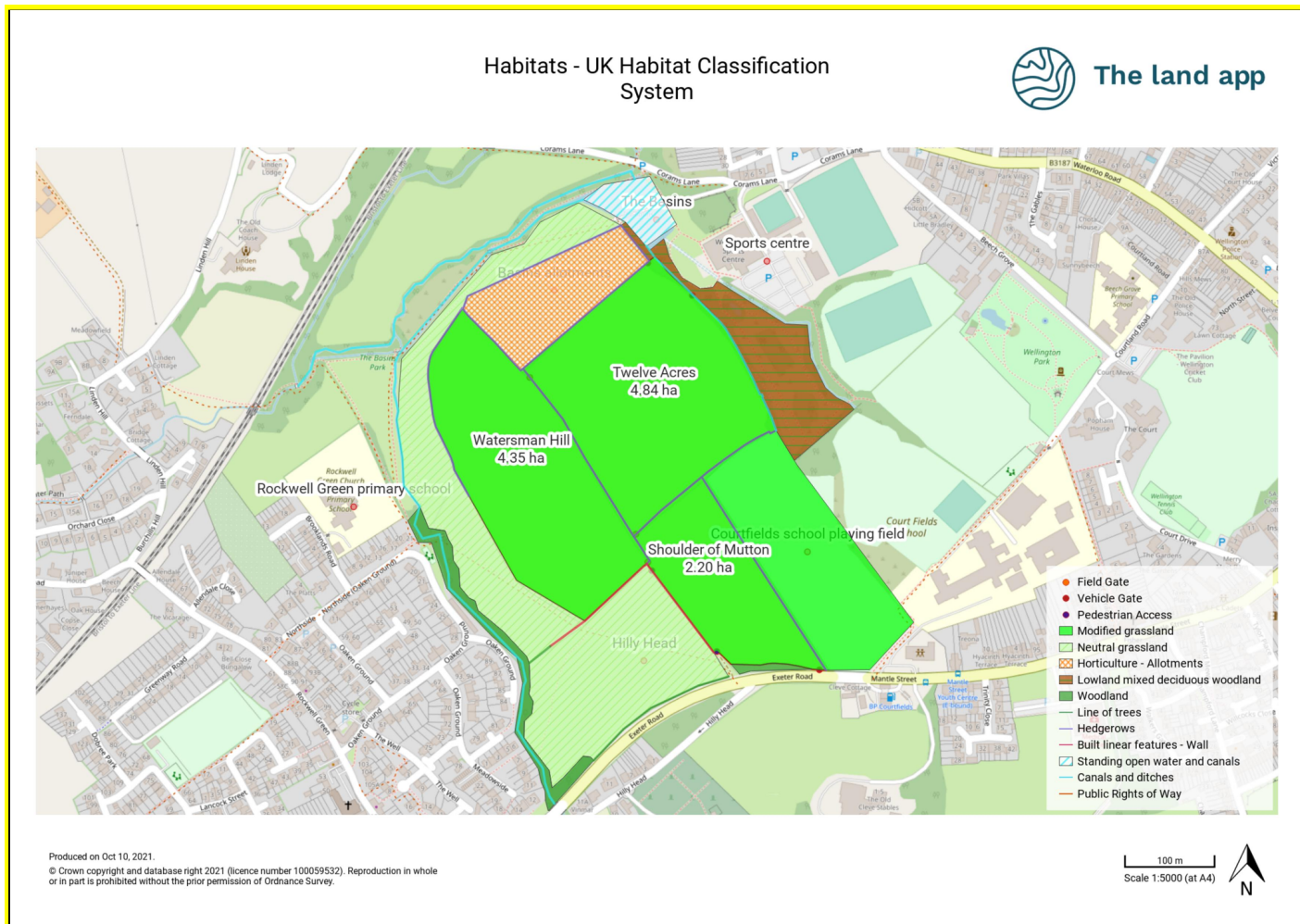
Produced on Oct 10, 2021.

© Crown copyright and database right 2021 (licence number 100059532). Reproduction in whole or in part is prohibited without the prior permission of Ordnance Survey.



The fields have been historically managed for a single cut of silage with occasional cattle grazing of the aftermath. Anti-social behaviour has limited the existing owners ability to fully utilise the agricultural area and access is restricted to the gate from the Exeter Road.

The fields are all improved permanent pasture, the soil type is a sandy loam typical of the area. With light soils the main risks will be maintaining soil organic matter and nutrients and preventing soil compaction. This will be achieved through using minimum tillage to maintain existing good soil structure and the use of cover crops and green manures to maintain soil organic matter. Boundaries include mature shrubs along the boundary with the Basins Local Nature Reserve and the remaining boundaries include tightly cutted mixed hedges, wire fencing and walls.



The key landscape features are the three veteran oak trees and walls shown on the map below. From the top of Hilly Head the entire proposed farm area is visible dropping away to the north permitting extensive views:

- from Hilly Head north up the Taunton Vale with views of the Brendon Hills and Quantocks in the distance
- the designed planting of Wellington Park to the east as well as Courtfields School, Wellington Sports centre and the tops of the houses behind,
- Tone and Tonedale Mills are to the north
- Rockwell Green and its iconic water towers to the west
- the southern boundary is dominated by a mature lines of trees along the Exeter Road

Generally the site is not visible from outside, glimpses are visible of Shoulder of Mutton field from Wellington Park and the Recreation Ground. From the footpath from Rockwell Green to Hilly Head the fields are on the hill above and only the west facing bank of Watersmanhill is visible.

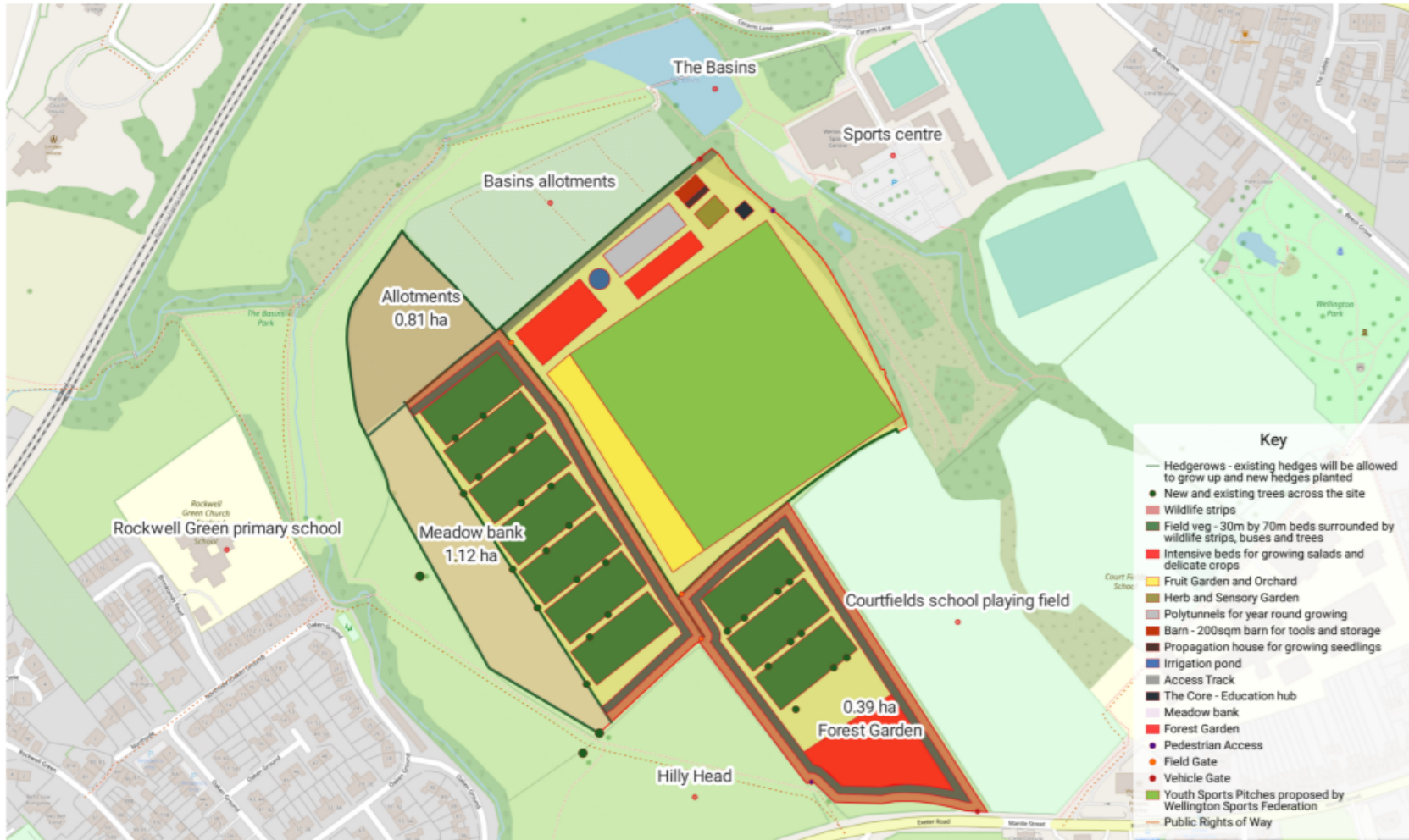
A more detailed site design is proposed to develop the core elements of the enterprise and their location within the site based on Permaculture Design Principles. These will be built into this plan as they are progressed. Community engagement in the development of the design will also be a core element of this process.

Basic elements of design that will be considered:

- access for pedestrians via multi user surfaced tracks to accommodate all mobilities
- vehicle access will be limited to deliveries on and off the farm
- access around the site for all users
- storage and packing sheds
- polytunnels
- education space
- welfare facilities for staff and volunteers
- growing space

We will welcome comments from all members of the community and interested stakeholders in the development of the design.

The map on the next page illustrates the potential elements that could be included in the design of the farm and form a basis for further development and consultation with members and stakeholders.



Produced on Jan 26, 2022.
© Crown copyright and database right 2022 (licence number 100059532)

50 m
Scale 1:2500 (at A3)
N

Proposed business activity

The core objective of Wellington Community Farm will be delivering the community benefits set out in its society rules and described in the vision above. This will be achieved through creating an active outdoor environment where any individuals or groups from Wellington and its surrounds will be able to participate in the shared experiences of growing and preparing fresh fruit and vegetables produced using regenerative farming practices without the use of artificial fertilisers and pesticides. This will create opportunities to support the mental and physical health of the community for generations. To be resilient this activity will be underpinned by income generation through a range of sources outlined in the sections below.

Vegetable and fruit sales

Produce sales will be the core income stream for Wellington Community Food this will come through a range of markets, estimated income from these are described in the financial forecasts attached:

- Direct sales of weekly veg boxes from the farm. There are various platforms that can support this e-commerce specially designed for veg box schemes. Such as Boxmaster⁵ and the Open Food Network⁶.
- We would also like to explore the opportunity to sell boxes through an anonymous honesty box scheme where a recommended price is given but customers can choose to pay what they can afford or make an additional payment to support others to be able to purchase boxes. We think this has the ability to avoid social stigma around the price of food and the creation of a high price offering for produce grown to high environmental standards.
- Pick your own events could be part of the annual calendar of activity raising funds for the project. Examples could include sunflower and pumpkin picking.
- Direct sales of veg. Some customers have requested the ability to purchase produce ad hoc this could be provided through retail sales through local shops and we plan to explore selling direct from the farm.
- Wholesale customers. Several local businesses have expressed interest in stocking produce from the farm including cafes, restaurants, caterers and shops.

Developing partnerships with local businesses to provide pop-up cafes to offer refreshments and freshly prepared food using produce from the farm. The proximity of the farm to the proposed youth sports pitches and existing public use of the basins provides a customer base alongside additional visitors attracted to the farm.

Public Goods

The Department of Food and Rural Affairs (Defra) fund agri-environment schemes through Treasury funding to support environmental delivery on farms where the markets fail to value this “public goods”. The policy of “public money for public goods” underpins the income available for delivering environmental outcomes such as the provision of biodiversity, access, education, clean water, climate mitigation and adaptation. Defra funding is currently undergoing significant changes through what is referred to as the Agricultural Transition Period, during this period a new range of funds are being launched under the title of the Environmental Land Management schemes. For Wellington Community Farm the main opportunity is through Countryside Stewardship⁷ and the Sustainable Farming Incentive⁸.

A Countryside Stewardship agreement would be estimated to generate an income of around £8,250 per year. This would be predominantly through education access payments⁹ (£7,250/yr). An additional £1,000/yr could be achieved through a combination of hedgerow management options, pollen and nectar habitats, buffer strips and beetle banks

⁵ <https://boxmaster-systems.co.uk/>

⁶ <https://openfoodnetwork.org.uk/>

⁷ <https://www.gov.uk/government/collections/countryside-stewardship>

⁸ [Sustainable Farming Incentive: Defra's plans for piloting and launching the scheme](#)

⁹ <https://www.gov.uk/countryside-stewardship-grants/educational-access-ed1>

¹⁰. The farm design process will support the development of areas for delivery of these measures and inform the final scheme value.

Educational services

Although the primary business activity of growing and selling food and delivering public goods will support the management of the land and space for community benefit it will not resource all the outreach and education activity the farm has the potential to offer and some income will be required to provide these resources. This is expected to come from a range of sources:

- We will seek public and charitable grant funding for revenue and capital costs of educational services.
- Identify and develop services that can be charged for.

Over time we intend to develop our ability to provide educational access provision as part of an income generation opportunity. This could include Special Educational Needs (SEN) sessions for different groups and exploring opportunities with local GP practices to provide social prescribing.

Investor membership

As part of our plan to raise the capital necessary to buy land we seek to encourage the local community to become Investor Members by buying community shares in the CBS. We will be able to fund withdrawal of these shares from our trading reserves as they develop. Investor Members will be encouraged to also become Produce Members.

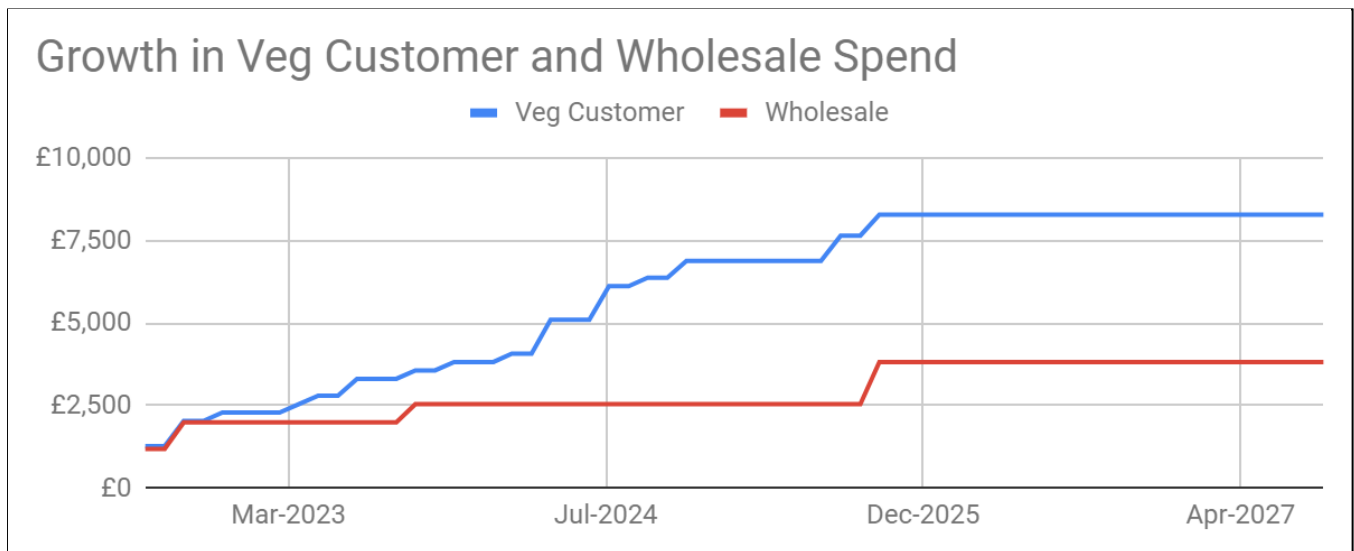
Marketing objectives

A range of marketing approaches will be used to promote and expand the business and its community activities in order to help us realise our business plan projections of achieving £1,053 veg box and £588 wholesale sales per week within three years. Market will include:

- Social media - Wellington Community Food has 150 members of its Facebook group (27/09/2021) and over 180 followers of its Facebook page. Through partnering with a range of local groups and pages we are able to reach over 5,000 local residents.
- Local printed and online press - Wellington Weekly and Somerset County Gazette have already published articles about the farm and are keen to promote the project as it develops. Wellington Edge¹¹ is a local magazine delivered to every house in the local area every two months and will be an important advertising platform.
- National press - BBC Farming Today is interested in covering the farm when access to land is secured and covering the launch of the farm.
- Website - As the project develops we will build the capacity of the website as an information source and for sales.

¹⁰ <https://www.gov.uk/countryside-stewardship-grants>

¹¹ http://www.theledgedirectory.co.uk/about-the-wellington_edge.php



The chart above shows the forecasted growth of weekly sales.

Analysis of existing market

There are several veg box providers delivering into Wellington:

- Riverford Organics - a large national supplier. They have a strong ethos around food ownership and production. We will not compete with them at a scale beyond Wellington and do not consider there to be an issue with displacing any market share in the town.
- Abel and Cole - a large national supplier, like Riverford we do not feel there is an issue with displacing any market share they have in Wellington.
- Steepholding¹² - a local CSA based in Greenham approx 5 miles from Wellington. They have a small round delivering boxes each week. We have contacted Alex and Ruth who run Steepholding and told them about the project. They responded with a supportive email, they have some concerns about displacing their existing trade however we agreed that partnering with each other to increase the market share for fresh produce grown to shared standards was an opportunity for both businesses.
- Ray's Veg¹³ - Previously had a regular stall at the Wellington Farmers Market, now delivers weekly veg boxes. We have contacted him to explore opportunities to collaborate but have not yet had a response.
- Plowrights Organics¹⁴ - Deliver weekly boxes into Wellington. We have contacted them to explore opportunities to collaborate but have not yet had a response.

We strongly believe that the customer base in Wellington is sufficient and growing to allow Wellington Community Food to operate without displacing existing local growers. We are also reaching out to other producers to collaborate on the development of the farm to help combine skills, knowledge and resources.

¹² <https://www.steepholding.co.uk/>

¹³ <https://www.facebook.com/RaysVeg/>

¹⁴ <https://plowrightorganic.co.uk/delivery-locations/wellington>

Capital works

Summary of capital works required

An extensive programme of capital works will be required to establish the infrastructure to operate the farm. This will be developed in detail within the design process. Planning permission may be required for some elements whilst others may be permitted development for agricultural purposes. Either way, wide community engagement is required to ensure that the development of these elements work within the landscape and build the sense of place within and around the site.

Breakdown of capital elements

The capital grant elements are costed out in the financial summary below this section describes the elements required and why.

Year 1 2022	Capital Expenditure	Business need	Activities
	Barn	The barn will be required to store machinery and tools safely and securely. Part of the barn will also be used as a package shed for storage of produce and processing prior to delivery. A 200 sqm timber barn will be sufficient.	Planning Permission for barn and access.
	Education hub	A structure is needed to provide shelter for visiting groups.	Initially this may be a temporary such as a Yurt or simple open time shelter. With plans to develop a permanent resource in later years.
	Tracks and Access	Multi user access tracks will be required to ensure all visitors with mixed mobility needs can be accommodated within the site. Tractor access routes segregated from visitor access will also be required for year round access to growing areas.	Appointing contractors.
	Tractor	Necessary for field operations and transport around the farm.	Sourcing tractor.
	Barn Furniture	General infrastructure within the barn for safe and efficient working.	Volunteers, grower and administrator start establishing infrastructure (polytunnels, irrigation, services) and sourcing tools. Seed sowing and plant raising
	Polytunnels x 2 *	Initial growing areas to extend growing season, propagate plants and diversify cropping.	
	Irrigation	Needed to support crops and improve climate resilience.	
	Tractor Tools *	To undertake field work in a cost effective way.	
	General Tools	To enable volunteers and staff to undertake work.	
	BCS with flail and Power Harrow	Powered machinery to ease workload and achieve economic efficiency.	
	Sturdy Mower *	To manage conservation areas and access routes.	
	Crop Mesh	To aid in crop production by controlling pests and protecting delicate crops.	

	Electricity and Services	To operate cold storage and volunteer and staff facilities. Solar panels of roof to supply power.	
Summer	Coldstore for Produce *	Cold storage (equivalent size to the box on a supermarket delivery van) located within the barn. This will improve storage of short shelf life produce such as salads.	
Year 2 2022 - 2023			
Autumn / Winter	Fruit and soft-fruit to be costed, this will depend on the design work to follow.	Establish perennial crops to increase crop diversity.	Plant fruit and soft fruit Expanding veg-shares (estimate 45)
Spring	Polytunnels x 2 * Propodation House	To increase horticultural area to meet demand and provide dedicated space for groups to develop growing projects,	Extend horticultural area depending on demand Build 2 Polytunnels and propagation house Source delivery van
	Delivery Van *	To be explored, could be shared with other businesses in town.	
Summer			Expanding veg shares (estimate 65)
Year 3 2023 - 2024			
Autumn / Winter	Fruit and soft-fruit to be costed, this will depend on the design work to follow.	Continued expansion of growing areas to meet demand.	Expanding veg shares (estimate 75)
Spring	Polytunnels x 2 *	Continued expansion of growing areas to meet demand.	Extend horticultural area depending on demand Build 2 Polytunnels
Summer			Expanding veg shares (estimate 49)
Year 4 - 5 2024 - 2026			Further expansion of the veg shares to scale to 150

Finance

The following section was prepared by Bob Mayhew from the Apricot Centre¹⁵ in partnership with Wellington Community Food. The Apricot Centre was chosen as consultants to support this work as they bring experience from establishing and running a horticulture enterprise of a similar scale to that proposed by Wellington Community Farm. Their vision is “CULTIVATING SUSTAINABILITY IN LIVES, LIVELIHOODS & THE LAND” their aims are to “create and run a sustainable diverse farm, wellbeing service and business. It recognises that there is a fundamental link between the wellbeing of the soil, food and habitat, and the mental and physical health of the people in and around the farm, making for a wonderful environment for a warm and effective mental health/wellbeing service for children and families.” The Apricot centre is a CIC (not for Profit) founded in 2006 and aims to be financially self-sufficient.

Introduction

This section of the business plan contains the narrative for the financials for the business plan that Wellington CSA are compiling to attract investment.

Business Plan Overview

This narrative accompanies a detailed costing spreadsheet that was compiled to help investors understand the business case for the organisation. The costing and projected incomes are summarised here, discussing the underlying assumptions and rationale for the figures. The plan covers a 6 year forecast period to demonstrate how the finances are expected to stabilise from year 5.

Summary

The project core group has determined that an investment of the order of £300,000 is required to fund the capital expenditure required and cover wage requirements in the set-up phase of the project. In the budget statement below, this investment is modelled with £200,000 coming in at the start with a further £100,000 in year three to develop an educational hub. However the graphs in the appendix which shows a ‘closing balance’ relative to income and expenditure only converge in the Autumn of ‘Year 3’ of the project, therefore this investment does not need to come in straight away. It is more likely that investment will be attracted over multiple share offers in the early years of the project.

A pragmatic approach is recommended that looks at the actual investment and deciding what capital expenditure is feasible at the time. The detailed costings show for example, that a barn might cost £40,000 in spring 2022 - it may be that this needs to be delayed until funding becomes available, or that a lower cost solution is sought in the interim to get up and running. The barn for example could be built without a concrete floor to get going, which could save in the order of £6,000 - 8,000.

A financial year running October - September was chosen to fit with the production year, therefore year 1 in the forecasts is only a partial year as no activity is expected to commence until April 2022 at the earliest.

¹⁵ <https://www.apricotcentre.co.uk/>

Forecast Incomes and Costings

By using the projections made in this document and taking into account the aims and ambitions of the project, a budget and forecast has been constructed that estimates costings and incomes, profiled over six years. This is summarised annually in the table below. Each year is broken down into months and then summarised into the table attached.

	Forecast: Year 1	Forecast: Year 2	Forecast: Year 3	Forecast: Year 4	Forecast: Year 5	Forecast: Year 6	TOTALS
From	Oct-2021	Oct-2022	Oct-2023	Oct-2024	Oct-2025	Oct-2026	
To	Sep-2022	Sep-2023	Sep-2024	Sep-2025	Sep-2026	Sep-2027	
INCOME							
Products and Services	£4,930	£55,560	£85,365	£114,855	£148,050	£148,050	£408,760
Grants and Capital Funding	£0	£8,250	£8,250	£8,250	£8,250	£8,250	£33,000
Investor Member Investments/Grant	£200,000	£0	£100,000	£0	£0	£0	£300,000
							£0
							£0
Total income	£204,930	£63,810	£193,615	£123,105	£156,300	£156,300	£741,760
EXPENDITURE							
Labour Requirements	£24,090	£53,355	£55,109	£63,026	£70,491	£70,491	£266,071
Ongoing Costs	£7,380	£28,127	£41,539	£54,810	£75,748	£75,748	£207,604
Capital Expenditure	£122,500	£16,000	£106,000	£4,000	£4,000	£4,000	£252,500
Initial Cultivations	£1,458	£0	£0	£0	£0	£0	£1,458
Other Expenditure 1	£0	£0	£0	£0	£0	£0	£0
Total income	£204,930	£63,810	£193,615	£123,105	£156,300	£156,300	£741,760
TOTAL EXPENDITURE	£155,428	£97,482	£202,648	£121,836	£150,238	£150,238	£727,632
Total Income - Expenditure	£49,502	(£33,672)	(£9,033)	£1,269	£6,062	£6,062	£14,128
Closing Balance	£49,502	£15,830	£6,798	£8,066	£14,128	£20,190	

Commentary

This summary shows that the farm achieves financial sustainability over five years, at which point income begins to exceed expenditure. Income from 'Products and Services' rises steadily over the years in what is felt as a realistic progression given the ambition of the project and the local market for local produce. Significant capital expenditure has been modelled into Year 1 to set-up the farm and infrastructure to enable the generation of income - this expenditure may well be split over the early years as funds become available. It is recommended that the project relies on funds from investment to establish the infrastructure rather than through sales of products and services, in order to give time for the project to find its feet and develop its market for the produce via a reputation for its quality.

Rationale for Income and Costings

The detailed costings for the capital investments, labour requirements and income forecasting have been made in association with advice from The Apricot Centre CIC consultancy services, who over the last six years have started a similar sized horticultural business in Devon and built-up a sustainable farm business turning over more than £200,000 per annum.

- Income is derived from the project group's estimate of how many weekly £10 veg shares they think are achievable, planning in year-on-year modest increases, plus an estimate of shop / restaurant sales following some market research to determine interest.
- Capital costs have been estimated according to requirements.
- Ongoing costs have been calculated as a function of income (45%, from experience). This is for 'costs of growing a food product' such as seeds, sales, compost, small tools, and packaging.
- Labour requirements
 - are calculated as a function of income and salary (45% of income, based on experience). This is the cost of growing the actual food.
 - However in the early part of the project, there are many additional tasks to establish the infrastructure of a new farm - building polytunnels, establishing irrigation etc. Therefore the project wishes to engage 1 FTE main grower to oversee all of this and do the growing.
 - Labour requirement analysis shows that an assistant grower will be required in Year 3 (Sep 2023) to keep up with the workload. However the project will need to consider how to cover holidays and absences of the main grower prior to this appointment.
 - An administrator has been costed in at 0.3 FTE initially and rising
 - An education officer has been costed in at 0.3 FTE initially and rising - this post will be funded via Educational Access Payments and other sources, to be determined.

Summary of Costings and Activities over 6 Years

The following tables summarise the costings and activities in each year, and will be used for the basis of an implementation plan at the start of the project. Some of these items are costed at 'second hand' rather than brand new, such as polytunnels and the tractor. These items are marked with an *. Please note that fruit trees and plants have not been costed yet, as this really needs to be designed to get a good picture of the requirements. An option could be to put in a rough estimate, say £5,000 as a marker, to be completed once the design process has been completed.

Year 1	Capital Expenditure	Estimated Cost	Activities
Spring/ Summer	Barn	£40,000	Planning Permission for barn and access. Appointing contractors.
	Initial education hub	£3,000	Hiring Veg grower and administrator.
	Tracks and Access	£5,000	Sourcing tractor.
	Tractor	£10,000	
	Barn Furniture	£3,000	Grower and administrator Starts
	Polytunnels x 2 *	£2,000	Establishing infrastructure
	Irrigation	£14,000	(polytunnels, irrigation, services)
	Tractor Tools *	£3,000	and sourcing tools.
	General Tools	£1,000	Seed sowing and plant raising
	BCS with flail and Power Harrow	£5,000	
	Sturdy Mower *	£500	
	Crop Mesh	£1,000	
	Electricity and Services	£30,000	
	Cultivate Growing Land Year 1	£100	Initial Cultivations
	Cultivate Grassland Year 1	£573	
	Green Manures Cost of Seed	£784	
Summer	Coldstore for Produce *	£5,000	Growing veg and 1st first veg-shares (estimate 30 veg shares)
Year 2			
Autumn / Winter	Fruit and soft-fruit to be costed, this will depend on the design work to follow.		Plant fruit and soft fruit Expanding veg-shares (estimate 45)
Spring	Polytunnels x 2 * Propodation House	£2,000 £4,000	Extend horticultural area depending on demand Build 2 Polytunnels and propagation house
	Delivery Van *	£5,000	Source delivery van
Summer			Expanding veg shares (estimate 65)
	Permanent purpose built education hub.	£100,000	Insulated building constructed using sustainable building techniques to provide year round facilities for the delivery of education services.
Year 3			
Autumn /	Fruit and soft-fruit to be costed,		Expanding veg shares (estimate 70)

Winter	this will depend on the design work to follow.		
Spring	Polytunnels x 2 *	£2,000	Extend horticultural area depending on demand Build 2 Polytunnels
Summer			Expanding veg shares (estimate 100)
Year 4 - 5			Further expansion of the veg shares to scale to 150
Year 6			Stabilising of veg sales.

Opinion and Analysis

This business plan looks simple on paper and is achievable with the right staff appointments, continuing support of the project group and even a bit of luck with the weather. However horticulture is a difficult business to make a success, and is a marginal operation due to the prices that can be achieved for produce relative to supermarket produce. Overlay this with challenging prevailing conditions such as weather, climate change, pandemics and Brexit, makes the growing and selling of food a tough business to make sustainable.

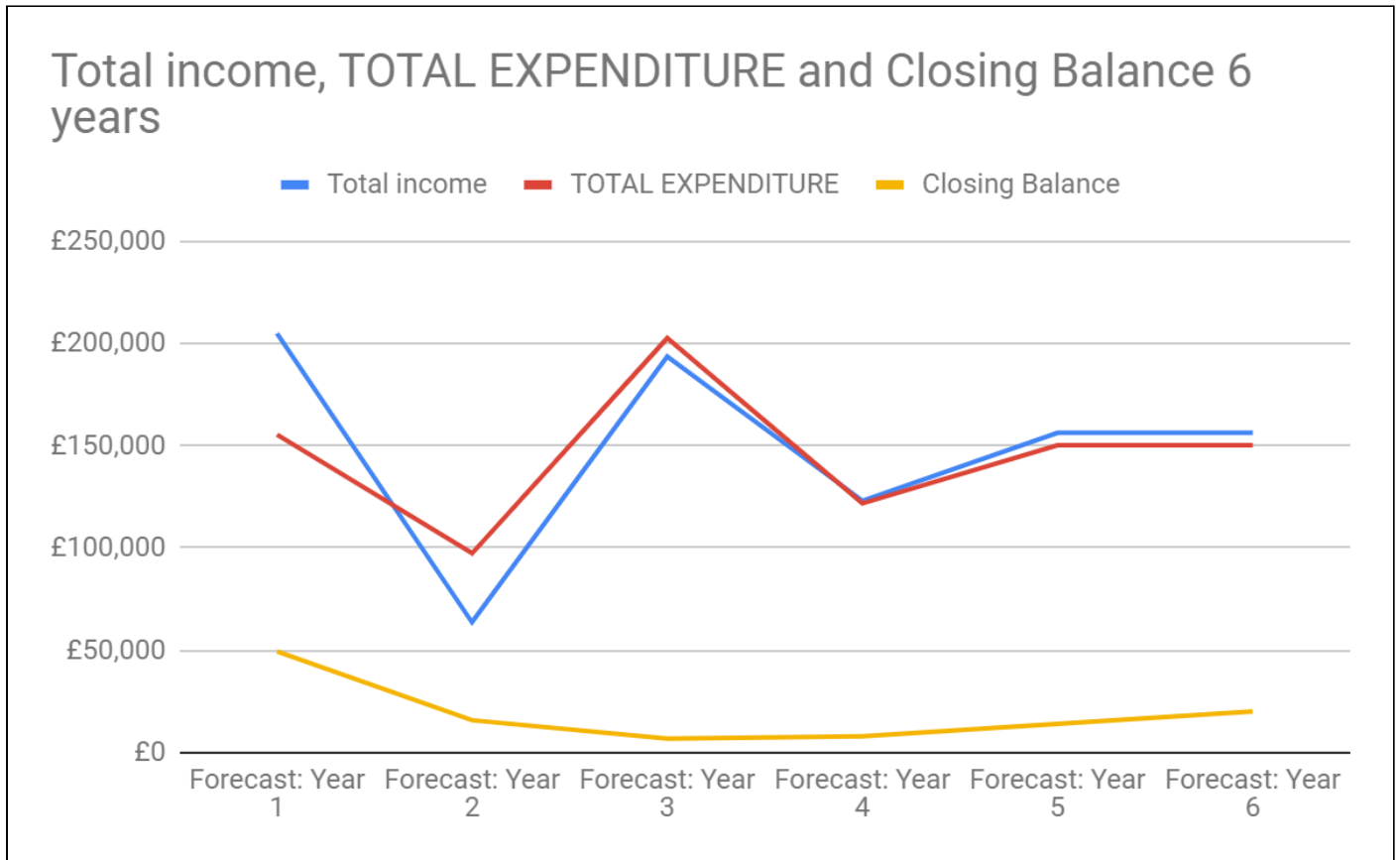
The first few years will often be a struggle, constantly balancing the need for expenditure with the financial resources available, but coming through this period and out of the other end is hugely rewarding. The project has a good strategy in place in that it plans to raise capital through investor membership to cover not only the capital expenditure, but also for the labour costs for the first early years until income generated begins to exceed expenditure.

Experience has shown that diversifying both the way that the land is used and the business operation will enable greater financial resilience. Potential avenues that could be explored and have been discussed, but not included as part of this business model are:

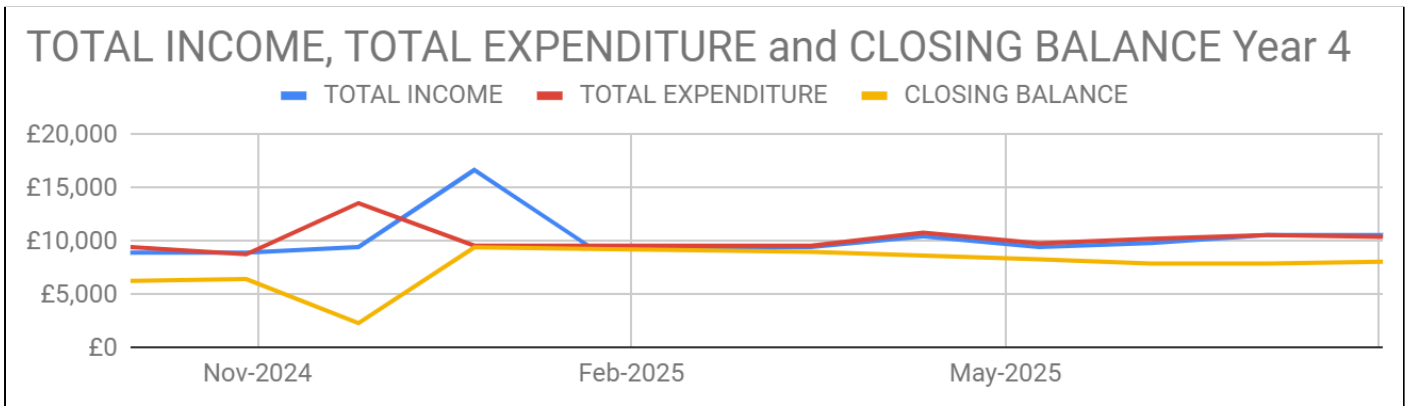
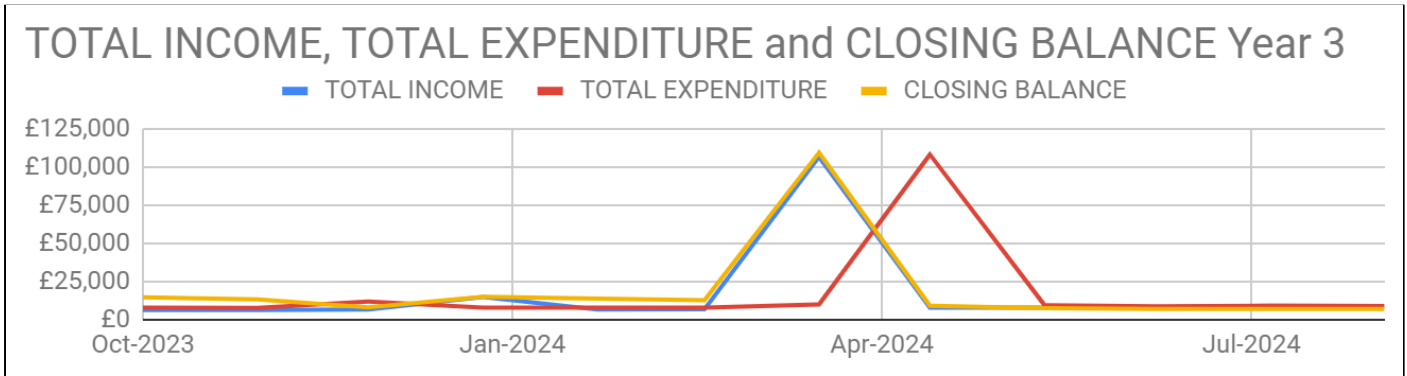
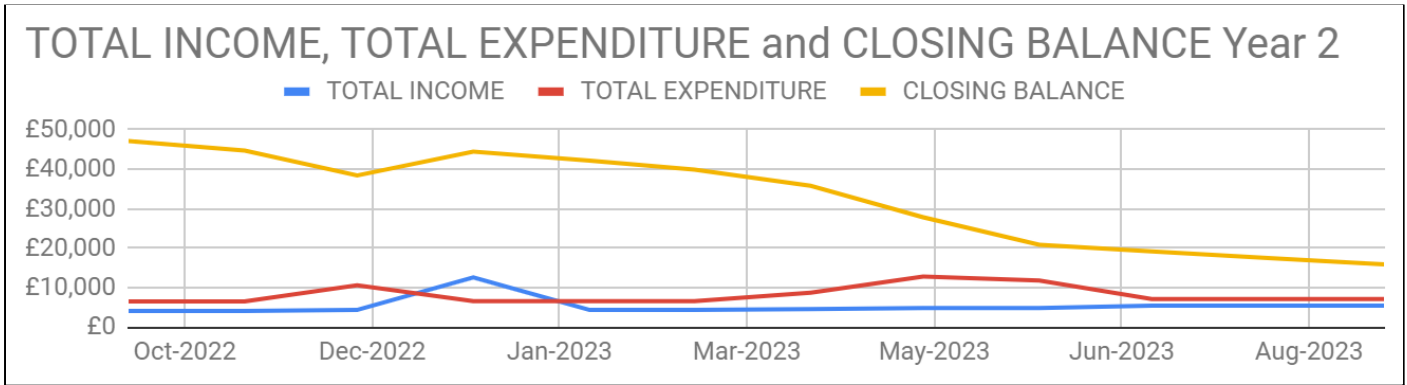
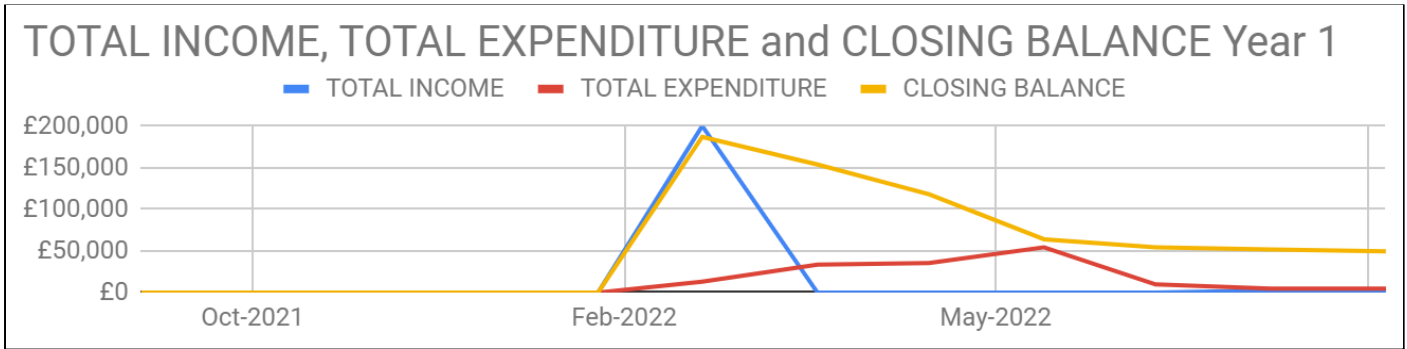
1. Make use of the land to earn revenue from non-horticultural sources
 - a. Offer well-being services on the land, such as further school visits, groups such as forest schools and farm clubs
 - b. Offer farm tours to demonstrate the model
 - c. Offer educational courses
 - d. There will be significant portions of land put down to green manures for the early stages of the project. This will help build soil capacity, but this land can also be put to use in the following ways:
 - i. Rent to livestock farmers for sensitive grazing
 - ii. Bring chickens on to the land and offer eggs to veg-share customers
 - iii. Raise poultry for meat sales
2. Engage more cost-effective labour
 - a. Apprenticeships or trainee positions (e.g Government Kickstart programme) can make the labour bill cheaper and bring in more support to the main grower. Supervision time needs to be factored in however.

- b. Volunteers are planned into the model, but not relied upon. However, very good volunteers can make a huge difference to farm productivity. Veg work-shares for example could be offered, where the volunteer agrees to work regularly in return for food.
- 3. Increase the average customer spend
 - a. With a regular and growing customer base, average customer spend can be increased by offering products outside of the scope of what the land can produce, whilst remaining on track with the ethical aims and ambitions of the group. A weekly loaf from a nice bakery for example, milk and dairy from local organic suppliers. Fruit can be bought in to supply a fruit share whilst waiting for the fruit trees to grow. A website with an online shops can help increase sales, see apricotcentre.co.uk for an example.

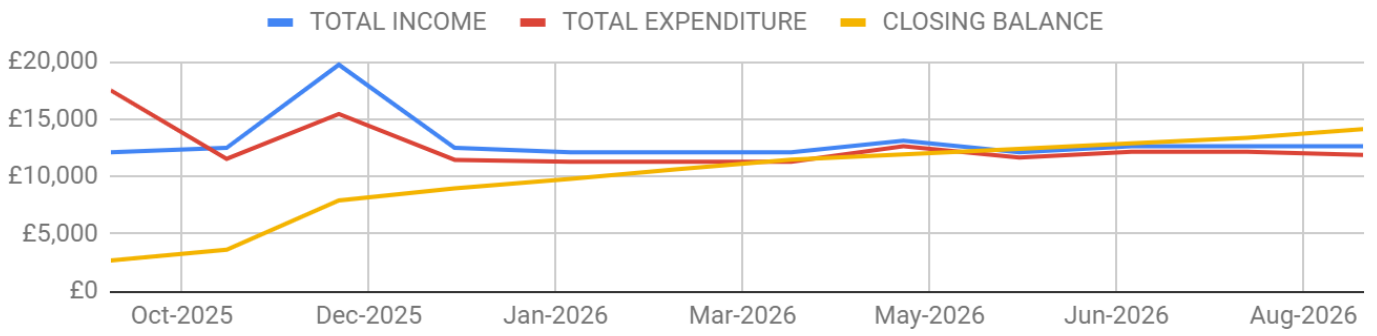
Graphs Showing Income, Expenditure and Closing Balance years 1 - 6



Graphs Showing Income, Expenditure and Closing Balance Year-on-year



TOTAL INCOME, TOTAL EXPENDITURE and CLOSING BALANCE Year 5



TOTAL INCOME, TOTAL EXPENDITURE and CLOSING BALANCE Year 6

