

**ASSESSMENT CATEGORY: Bridging Divides - Connecting the Capital****Stepney City Farm Ltd****Adv: Kate Moralee****Amount requested: £191,761****Base: Tower Hamlets****Benefit: Tower Hamlets****Amount recommended: £191,800****The Applicant**

Stepney City Farm (SCF), a charity, is a three-acre working farm in Tower Hamlets which has been running since 2010 with a key message of "farm to fork". It is one of a network of projects across the capital engaging people from an inner-city environment with farming and rural crafts. It has an extensive education programme with over 4,000 school children and young people benefitting from classes, tours and projects each year. It also has individual and community allotments, a farmer's market and it uses environmentally sustainable farming practices. It encourages all members of diverse local communities to share knowledge and experiences through produce and food.

**The Application**

Stepney City Farm is requesting funding to support the continuation of its current one-year grant award to strengthen strategic leadership and successful expansion of the farm site ensuring sustainability of the organisation. Significant progress has been made over the course of the last 12 months in three areas: financial security, physical development of the site and organisational culture. Unfortunately, the delay to the launch of Cross Rail has meant that land still has not been handed back to Stepney City Farm within the original timescales. This project will continue to deliver greening and growing education, volunteering and health and well-being opportunities, which facilitate community cohesion, to residents of Tower Hamlets.

**The Recommendation**

SCF experienced levels of turbulence between 2010 to 2018 which left the organisation in a vulnerable and challenging place in terms of financial stability and organisational culture. Following the appointment of a CEO and your grant award in July 2018, significant progress has been made. The organisation has moved from being in deficit to a £26,768 surplus within 1 year, strengthening many of the services and activities offered by securing grant income for specific programmes and by significantly developing income generation strands. This is despite still not securing the return of land from Crossrail originally planned for 2017, delayed until November 2018 and now expected August 2019, which will bring further growth opportunities. This proposal meets your Growing greening and environmental projects priority and funding is recommended:

**£191,800 over 4 years (£46,500, £47,500, £48,400, £49,400) for the salary costs of the f/t CEO to provide strategic leadership and successful expansion of the site ensuring sustainability of the organisation.**

**Funding History**

Meeting Date	Decision
06/07/2018	£45,600 over 1 year for the salary costs of the f/t CEO to provide

	strategic leadership and successful expansion of the site, ensuring sustainability of the organisation.
11/05/2017	Application declined as it did not sufficiently address your priorities
14/10/2010	£90,000 over three years (3 x £30,000) towards the costs of a project manager for the city farm.
09/09/2010	Withdrawn application

### **Background and detail of proposal**

The farm continues to be a free and accessible facility for all visitors and delivers a programme of volunteering for a range of needs. Volunteers are supported in the development of skills, knowledge and experience through individual plans, reviews and mentoring. The young volunteers programme which runs session every Sunday has grown and now requires funding to provide additional staff to cope with demand. Alongside that SCF secured a large grant from the Young London Inspired programme to deliver open sessions for young people over three years. This has allowed for greater engagement with young people from referral units, at risk of exclusion and/or with SEN. Volunteers are encouraged to become trustees.

SCF has adopted a more business focussed approach under the new CEO which has resulted in a growth in income from business activities. The CEO has changed the shape of the Corporate Volunteering offer and delivery resulting in net income of £30k. A decision has also been taken to offer the café space for hire by an independent hospitality provider with an ethos similar to that of SCF, a contract is in the process of being signed currently, as SCF does not have the required skills, expertise and resource to invest to turn the café around to be a net contributor. SCF has also been able to hire out the classroom facility for conferences and events. The farm continues to offer a complex portfolio of income generating activities including provision of studios, allotments, weekly farmers market, high welfare animal farming and the growing and supply of produce.

The land from Crossrail has not yet been handed back to SCF, current estimated date of handover is 31/7/19. However, this has allowed space for the CEO to focus on strengthening the financial position of the organisation, improving the site in terms of H&S and attractiveness and changing organisational and staff culture. Staff and culture change have resulted in a much more focussed and stringer team providing a strong foundation for growth. Power to Change have committed to supporting SCF for another two years understanding that external forces have restricted the opportunity to expand food production. The expansion plans remain as envisaged, once the land is returned on the 10-year lease.

### **Financial Information**

SCF is demonstrating increased unrestricted surplus this year to date, more than predicted in the 2019/20 budget. The CEO has secured 10 days of training from SSE, with a specific focus on upscaling the social enterprise aspect of the farm. New income sources, both restricted and unrestricted, have been secured over the last year and tough business decisions have been made. This has generated a significant turnaround and lends itself to establishing sustainability with ongoing support over the next four years.

<b>Year end as at 31st March</b>	<b>2018 Signed Accounts £</b>	<b>2019 Draft Accounts £</b>	<b>2020 Forecast £</b>
<b>Income &amp; expenditure:</b>			
Income	356,027	364,944	313,227
- % of Income confirmed as at 28/5/19	N/A	N/A	42%
Expenditure	(391,738)	(319,773)	(248,285)
Total surplus/(deficit)	(35,711)	45,171	64,942
Split between:			
- Restricted surplus/(deficit)	(10,746)	7,098	24,936
- Unrestricted surplus/(deficit)	(24,965)	38,072	40,006
	(35,711)	45,170	64,942
<b>Cost of Raising Funds</b>	0	18,000	18,000
- % of Income	0.0%	4.9%	5.7%
Operating expenditure (unrestricted funds)	236,895	180,900	129,922
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	(11,304)	26,768	66,774
No of months of operating expenditure	-0.6	1.8	6.2
Reserves policy target	59,224	45,225	32,481
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	(70,528)	(18,457)	34,294