

ASSESSMENT CATEGORY - Improving London's Environment

Stepney City Farm

**Adv: Kate Moralee
Base: Tower Hamlets
Benefit: London-wide**

Amount requested: £139,601

Amount recommended: £45,600

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, an award-winning café and practices environmentally sustainable farming practices. It encourages all members of diverse local communities to share knowledge and experiences through produce and food, eg, the café now uses Bangladeshi vegetables grown on site to create its daily menu.

The Application

SCF is requesting funding for the CEO salary to provide strategic leadership over the period of expansion with the return of land from Crossrail. All the outcomes of Stepney City Farm meet your Improving London's Environment programme. Securing funding for this role will allow the CEO to focus on creating stability, forward planning, creating and securing funding for key specialist roles and overseeing the expansion of the farm following the return of land from Crossrail in November 2018, whilst ensuring continuity of current activities and services for the local community.

The Recommendation

SCF has experienced increasing and decreasing annual income since 2010. It was initially (2010 to 2015) successful in securing funding for a lot of projects (funding secured from Tower Hamlets Section 106, Big Lottery and Power to Change) and the then Farm Director built up organisational reserves to three months' operating costs. When the position of Farm Director came to an end in 2015 Trustees felt the organisation was able to replace this role with that of a new CEO who would continue to have responsibility for fundraising. Unfortunately, over the two-year tenure of the post holder fundraising success dropped dramatically and in late 2016 long-term funding for two other key posts came to an end. SCF restructured creating two posts instead of three, both covered through unrestricted income or reserves. This structure is not sustainable and requires a level of security for one or both posts to ensure effective farm management and to focus on sustainability and growth, rebuilding reserves through income generating ventures. SCF was expecting the return of land from Crossrail in summer 2017, however this has been delayed until November 2018, impacting negatively on income projections from produce grown and harvested. There are several variables which could impact on the development of SCF over the next 12 months. Following discussions with the current Chair and the CEO of SCF your officer recommends funding the CEO position for one year at this stage, to enable the CEO to focus on securing the return of and developing the land from Crossrail, developing a Business Plan and initiating and

testing some income generation activities. The application fits well with the priorities of your Improving London's Environment Programme, and funding is recommended:

£45,600 for one 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.

Funding History

Meeting Date	Decision
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 is 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. Several volunteers have become trustees and one ex-offender secured new employment because of his experience at the farm. The Furry Tales programme delivers therapeutic animal assisted interventions for those living with dementia, both on site and in local care facilities.

The onsite café was opened in 2013 to complete a farm-to-fork circle and the farm has expanded its model of sustainability through energy efficient initiatives working to the principles of permaculture, composting, recycling and reusing. The farm offers a complex portfolio of activity including provision of studios, allotments, weekly farmers market, volunteering programmes, high welfare animal farming and the growing and supply of produce.

In November 2018 a large area of land is scheduled to be returned to the Farm after 6 years of Crossrail occupation, with SCF being granted a 10-year lease on the consolidated site. Growth is planned, however requires strong strategic leadership to implement plans. Plans include expansion of the food growing programme, preservation and acknowledgement of significant archaeological features, instating new animals, prioritising accessibility (moving entrance to be closer to Tube Station) and the development of a new Visitor Information Centre. It has recently piloted some "pop-up" events in the evenings – British meats and craft beer - to test demand. These have been very successful and sit with the ethos of the farm. It has also organised more events eg, May Day which involved all members of the local community and generated £1,000 income.

Financial Information

SCF recognises its vulnerable financial position, understands the reasons for the decline in income and have put in place measures to address the issues. It recently appointed a new CEO, with a Masters Degree in Charity Financial Management and 9 years' experience in senior management including experience of a £13m capital project, who has returned the organisation to a breakeven point in six months. It has strengthened its Governance by recruiting new Trustees and has been referred to the STRIVE programme by your grants officer.

The cashflow forecast for 2018/19 has been prepared with conservative predictions, for worst case scenario planning, however a grant towards core salaries would enable focus and resource to be applied to growth rather than staying still.

Year end as at 31 March	2017 Examined Accounts £	2018 Forecast £	2019 Budget £
Income & expenditure:			
Income	343,245	319,325	256,539
- % of income confirmed as at 16/05/18	n/a	n/a	21%
Expenditure	(402,202)	(311,595)	(252,888)
Total surplus/(deficit)	(58,957)	7,730	3,651
Split between:			
- Restricted surplus/(deficit)	(8,947)	6,783	(2,825)
- Unrestricted surplus/(deficit)	(50,010)	947	6,476
	(58,957)	7,730	3,651
Cost of Raising Funds	0	8,000	8,000
- % of income	0.0%	2.5%	3.1%
Operating expenditure (unrestricted funds)	271,273	218,098	197,385
Free unrestricted reserves:			
Free unrestricted reserves held at year end	(3,924)	(2,977)	3,499
No of months of operating expenditure	(0.2)	(0.2)	0.2
Reserves policy target	67,818	54,525	49,346
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	(71,742)	(57,502)	(45,847)

