

Meeting of the

KING GEORGE'S FIELD CHARITY BOARD

Wednesday, 14 October 2009 at 5.00 p.m.

A G E N D A

VENUE

Meeting Room M72, 7th Floor, Town Hall, Mulberry Place, 5 Clove
Crescent, London, E14 2BG

Members:

Chair: Councillor Lutfur Rahman
Vice-Chair: Councillor Joshua Peck

Councillor Ohid Ahmed	(Lead Member, Regeneration, Localisation and Community Partnerships)
Councillor Rofique U Ahmed	(Lead Member, Culture and Leisure)
Councillor Anwara Ali	(Lead Member, Health & Wellbeing)
Councillor Abdul Asad	(Lead Member, Older People & Health)
Councillor Marc Francis	(Lead Member, Housing and Development)
Councillor Rania Khan	(Lead Member, Regeneration, Localisation and Community Partnerships)
Councillor Oliur Rahman	(Lead Member, Employment and Skills)
Councillor Abdal Ullah	(Lead Member, Cleaner, Safer, Greener)

[Note: The quorum for this body is 3 Members].

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact: Zoe Folley, Democratic Services, Tel: 020 7364 4877, E-mail: zoe.folley@towerhamlets.gov.uk

LONDON BOROUGH OF TOWER HAMLETS

KING GEORGE'S FIELD CHARITY BOARD

Wednesday, 14 October 2009

5.00 p.m.

SECTION ONE

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Chief Executive.

3. UNRESTRICTED MINUTES

To confirm as a correct record of the proceedings the unrestricted minutes of the meeting of the Board held on 17th June 2009

PAGE NUMBER	WARD(S) AFFECTED
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3 - 8

4. DEPUTATIONS AND PETITIONS

To receive any deputations and petitions.

The deadline for the receipt of any deputations for this meeting is **12 noon Thursday 8th October 2009.**

5. REPORTS FOR CONSIDERATION

5.1 Stepping Stones Farm – Crossrail Implications (KGFCB/05/089) (Pages 9 - 26)

6. EXCLUSION OF THE PRESS AND PUBLIC

In view of the contents of the remaining items on the agenda the Committee is recommended to adopt the following motion:

“That, under the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act, 1972.”

EXEMPT SECTION (Pink Papers)

The exempt committee papers in the agenda will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please hand them to the Committee Officer present.

	PAGE NUMBER	WARD(S) AFFECTED
7. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT		

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Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE CHIEF EXECUTIVE

This note is guidance only. Members should consult the Council's Code of Conduct for further details. Note: Only Members can decide if they have an interest therefore they must make their own decision. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending at a meeting.

Declaration of interests for Members

Where Members have a personal interest in any business of the authority as described in paragraph 4 of the Council's Code of Conduct (contained in part 5 of the Council's Constitution) then s/he must disclose this personal interest as in accordance with paragraph 5 of the Code. Members must disclose the existence and nature of the interest at the start of the meeting and certainly no later than the commencement of the item or where the interest becomes apparent.

You have a **personal interest** in any business of your authority where it relates to or is likely to affect:

- (a) An interest that you must **register**
- (b) An interest that is not on the register, but where the well-being or financial position of you, members of your family, or people with whom you have a close association, is likely to be affected by the business of your authority more than it would affect the majority of inhabitants of the ward affected by the decision.

Where a personal interest is declared a Member may stay and take part in the debate and decision on that item.

What constitutes a prejudicial interest? - Please refer to paragraph 6 of the adopted Code of Conduct.

Your personal interest will also be a prejudicial interest in a matter if (a), (b) and either (c) or (d) below apply:-

- (a) A member of the public, who knows the relevant facts, would reasonably think that your personal interests are so significant that it is likely to prejudice your judgment of the public interests; AND
- (b) The matter does not fall within one of the exempt categories of decision listed in paragraph 6.2 of the Code; AND EITHER
- (c) The matter affects your financial position or the financial interest of a body with which you are associated; or
- (d) The matter relates to the determination of a licensing or regulatory application

The key points to remember if you have a prejudicial interest in a matter being discussed at a meeting:-

- i. You must declare that you have a prejudicial interest, and the nature of that interest, as soon as that interest becomes apparent to you; and
- ii. You must leave the room for the duration of consideration and decision on the item and not seek to influence the debate or decision unless (iv) below applies; and

- iii. You must not seek to improperly influence a decision in which you have a prejudicial interest.
- iv. If Members of the public are allowed to speak or make representations at the meeting, give evidence or answer questions about the matter, by statutory right or otherwise (e.g. planning or licensing committees), you can declare your prejudicial interest but make representations. However, you must immediately leave the room once you have finished your representations and answered questions (if any). You cannot remain in the meeting or in the public gallery during the debate or decision on the matter.

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE KING GEORGE'S FIELD CHARITY BOARD

HELD AT 7.00 P.M. ON WEDNESDAY, 17 JUNE 2009

**M72, 7TH FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT,
LONDON, E14 2BG**

Members Present:

Councillor Lutfur Rahman
Councillor Joshua Peck
Councillor Rofique U Ahmed
Councillor Abdul Asad
Councillor Marc Francis
Councillor Rania Khan
Councillor Oliur Rahman

Other Councillors Present:

Nil

Officers Present:

David Galpin – (Head of Legal Services (Community))
Isabella Freeman – (Assistant Chief Executive (Legal Services))
Michael Rowan – (Director of Mile End Park)

Alan Ingram – (Democratic Services)

1. ELECTION OF CHAIR FOR THE MUNICIPAL YEAR 2009/2010

Mr A. Ingram, Democratic Services Officer, opened the meeting and requested nominations for Chair of the Board for the Municipal Year 2009/10.

Councillor Joshua Peck nominated Councillor Lutfur Rahman to the position. There being no further nominations, it was –

RESOLVED

That Councillor Lutfur Rahman be elected Chair of the King George's Field Charity Board for the Municipal Year 2009/10.

Councillor Lutfur Rahman in the Chair

2. ELECTION OF VICE - CHAIR FOR THE MUNICIPAL YEAR 2009/2010

The Chair requested nominations for Vice-Chair of the Board for the Municipal Year 2009/10.

Councillor Rofique U Ahmed nominated Councillor Joshua Peck to the position. There being no further nominations, it was-

RESOLVED

That Councillor Joshua Peck be elected Vice-Chair of the King George's Charity Board for the Municipal Year 2009/10.

3. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Ohid Ahmed and Anwara Ali.

4. DECLARATIONS OF INTEREST

Councillor	Item	Type of Interest	Reason
Joshua Peck	Item 7.2	Personal	He was a Ward Member for Bow West and knew the individuals mentioned in the report.
Marc Francis	Item 7.2	Prejudicial	He had been a customer of the Palm Tree Public House and his local Labour Party had held meetings and events on the premises.
Lutfur Rahman	Item 7.1	Personal	The report concerned issues with which he had previously been involved.
Rofique U Ahmed	Item 7.1	Personal	The report concerned issues with which he had previously been involved.
Abdul Asad	Item 7.1	Personal	The report concerned issues with which he had previously been involved.
Rania Khan	Item 7.1	Personal	The report concerned issues with which she had previously been involved.

Oliur Rahman	Item 7.1	Personal	The report concerned issues with which he had previously been involved.
Abdal Ullah	Item 7.1	Personal	The report concerned issues with which he had previously been involved.

5. UNRESTRICTED MINUTES

RESOLVED

That the unrestricted minutes of the King George's Charity Board held on 7 January 2009 be approved and signed by the Chair as a correct record of the proceedings.

6. DEPUTATIONS AND PETITIONS

Nil.

7. REPORTS FOR CONSIDERATION

7.1 Governance of the King George's Fields Trusts (KGFCB/03/089)

Mr D. Galpin, Head of Legal Services – Community, introduced a detailed presentation concerning the governing documents of the two King George's Fields Trusts, which had been requested by Members at the meeting held on 7 January 2009.

The presentation and report addressed matters concerning:

- A review of the governing documents for the charities.
- Alternative governance schemes, clarifying the land under the remits of the charities, identifying the purposes for which the land may be used and clarifying the duties of the trustees.
- Commencement of discussions with the Charities Commission with a view to amalgamating the Mile End and Tredegar Square charities.
- Clarification of the position regarding Crossrail.

In response to queries from Members, Mr Galpin commented that:

- The matter of land comprising that part of Mile End Park bridging Mile End Road remained to be clarified in terms of inclusion in the St George's Fields lands.
- The maintenance of the land at Tredegar Square had to be maintained at the Council's expense and there was no scope for charging other parties.

- Any monies from land sales would have to be held by the charities in perpetuity, as in the case of any land exchanges.

In considering the report, the Board also discussed the following:

- The possibility of compensation regarding the anticipated loss of some 1800m² of open space in connection with Crossrail.
- The possibility of negotiations with Crossrail for reprovision of an astrotrurf football pitch near the existing site.

Councillor Peck indicated that the budgetary reference in paragraph 10.1 of the report should relate to "Parks Budget".

RESOLVED

1. That the proposal in paragraph 3.3 of the report be noted.
2. That agreement be given for the preparation of plans as referred to in paragraphs 5.12, 5.13 and 6.13 of the report.
3. That it be noted that the Assistant Chief Executive (Legal Services) will give consideration to the mechanism by which any amendment might be effected to the governing documents to reflect revised plans or revised powers, or in relation to merger, as contemplated in the report and will bring forward any proposals to a future meeting of the Board.
4. That an application be made to the Charity Commission for a uniting direction in respect of the King George's Field, Mile End charity (1077859) and the King George's Field, Stepney (Tredegar Square Bow) charity (1088999), the Board being of the view that an administrative linkage will prevent waste and duplication of resources in the preparation of accounts and annual returns.

7.2 Decision concerning land near the Palm Tree (KGFCB/04/089)

Councillor Marc Francis declared a prejudicial interest regarding this item in that he had been a customer of the Palm Tree Public House and his local Labour Party had held meetings and events on the premises. Councillor Francis left the meeting prior to consideration of the matter.

Mr D. Galpin, Head of Legal Services – Community, introduced a report updating the position following the decision published on 4 February 2009 by the Adjudicator to HM Land Registry in the case of London Borough of Tower Hamlets v A. Barrett and V. Barrett concerning land at Mile End Park, London.

Mr Galpin indicated that the Barretts had sought to appeal the Adjudicator's decision and the decision of the High Court would probably be known in four to six weeks, after which a further update would be prepared.

RESOLVED

That the report be noted.

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

No urgent business was submitted.

The meeting ended at 7.30 p.m.

Chair,
King George's Field Charity Board

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Agenda Item 5.1

Committee: King George's Fields Charity Board	Date: 14 th October 2009	Classification: Unrestricted	Report No: (KGFCB/05 /089)	Agenda Item:
Report of: Owen Whalley – Head of Major Projects, Development and Renewal		Title: Stepping Stones Farm – Crossrail implications		
Originating officer(s) Bob Bennett – Crossrail Project Manager		Wards Affected: Stepney Green		

1. SUMMARY

- 1.1 At the meeting held on 17th June 2009, the Board was advised of the impact of Crossrail upon the land owned by the King George's Field Charity and the approach being adopted by officers acting as technical advisers on behalf of the Board to mitigate those impacts. Since that time, considerable progress has been made in progressing the proposals for both Stepney Green Park and Stepping Stones Farm. Public consultation is now taking place on the proposed pitch replacement at Stepney Green and work is planned to start on site in January 2010. However, because of the urgent need to gain access to part of Stepping Stones Farm to undertake borehole investigations, mitigation works on the farmland will need to commence within the next few weeks. To facilitate these works it is necessary for the Board to grant a licence to Crossrail to undertake the works and make an early decision on the future management of the land currently occupied by Stepping Stones Farm.

2. RECOMMENDATIONS

The Board is recommended to:-

- 2.1 Note the positive progress being made on the mitigation works to Stepping Stones Farm as described in paragraph 3.5 and set out at Appendix 2
- 2.2 Agree that licences be granted to Crossrail to enter on the land at Stepping Stones Farm and Stepney Green to commence the mitigation works and borehole investigations at Stepping Stones Farm, and to undertake enabling works at Stepney Green as referred to in paragraphs 4.2 – 4.4
- 2.3 Agree that the occupation of Stepping Stones Farm by the Stepney Stepping stones Farm Charity be terminated with immediate effect for the reasons set out in paragraph 3.4 and Appendix 1

- 2.4 Authorise officers of the Council to act on behalf of the Board to negotiate the terms of licence agreements with Crossrail, and undertake all other actions in accordance with the aims and objectives of the King George's Field Charity
- 2.5 Upon the agreement of terms for licence agreements with Crossrail to grant such licences to Crossrail
- 2.6 Grant a licence to the Stepping Stones Farm Company to occupy and manage Stepping Stones Farm for a 12-month period
- 2.7 Agree that any licence fee payable by Crossrail to undertake the borehole investigations be paid to the Stepping Stones Farm Company to assist with the ongoing management and operation of the farm
- 2.8 Note the need to grant a lease for the future occupation and management of Stepping Stones Farm following the completion of the Crossrail works to the Stepping Stones Farm Company if its occupation under the short-term licence referred to in 2.6 above is satisfactory..
- 2.9 Request that following the completion of the Crossrail works that the Council's Communities, Localities and Cultural Directorate act as agents on behalf of the Board to manage Stepping Stones Farm and provide regular reports to the Board

3. BACKGROUND

- 3.1 Stepping Stones Farm was established in 1979 on land which was originally owned by the GLC and was then transferred to Tower Hamlets Council following the abolition of the GLC. The organisation, which originally occupied the site, was registered as a Charity – under the name Stepney Stepping Stones - but there has never been any formal legal agreement between the Council and the Charity relating to its occupation and operation of the site. Furthermore, unlike other city farms in the borough that are responsible to the Communities, Localities and Cultural Directorate (CLC), the farm has never been the responsibility of any Council department or committee, due to the fact that the land occupied by the farm is under the control of the Board and not the Council, and as a result there has been very limited contact between Council officers and the Charity occupying the farm.
- 3.2 There were only two Trustees of the Charity – one of whom is now deceased - and although the Charity became a Limited Company in 1988, the Company was dissolved by Companies House for not submitting the necessary annual return. It is still registered as a Charity but has not submitted any returns to the Charities Commission since 2003 and unlike the other city farms in the borough; it is not a member of the Federation of City Farms. The farm has employed no paid staff for a number of years, and although it received significant grant funding in the

1990's, the only recent funding has been a small annual grant from the Council. During recent years, one of the Trustees has been acting as voluntary farm manager although due to a long term illness, for long periods she was absent from the farm and unfortunately died from her illness at the end of 2008.

- 3.3 As the Board is aware, the western third of the Farm is required for the Crossrail Stepney Green construction site for a period of at least 5 years and the Crossrail Act has authorised the necessary CPO powers. Following the publication of the Crossrail Bill in 2005, the Council petitioned on the Crossrail proposals in 2005 including the impact of Crossrail on the farm. As a result of the petition, the Council received a formal undertaking from Crossrail to pay any costs arising from the reconfiguration of the farm to accommodate the Crossrail construction works. Crossrail will also pay any necessary reinstatement costs once the construction works have been completed
- 3.4 In recognition of the considerable impact of Crossrail on the operation of the farm, officers negotiated with Crossrail on behalf of the Board to pay for a Consultant to address the impact and remediation of the Crossrail works. However, the brief was subsequently extended to include further work on the governance and operation of the farm to enable it to secure a lease from the Board and secure future funding. The Consultant's report was completed in June 2006, but the recommendations have been largely unimplemented, no doubt in part because of the continuing illness of one of the two trustees. In view of the impending urgency to deal with the imminent implementation of Crossrail proposals, Officer's agreed on behalf of the Board with Crossrail that further Consultancy support was essential if the long-term viability of the farm's operation was to be protected and the reconfiguration of the farm secured in order to meet Crossrail's construction timetable. As a result, Mike Daligan was appointed as a consultant to the with the following brief:-
- Secure the reconfiguration of Stepping Stones Farm on the reduced site available during the Crossrail construction works in advance of Crossrail requiring possession of part of the site.
 - Work with Stepping Stones Farm to develop a management structure and business plan which complies with the objectives of the City Farm movement and is a sufficiently "fit organisation" for the granting of a formal lease.
 - Ensure that the physical layout and structure of the Stepping Stones Farm site following the completion of the configuration works will enable it to continue as a viable, locally managed City Farm.
- 3.5 The consultants work soon demonstrated that the Farm was in an extremely poor state both in terms of its physical appearance and facilities, and in terms of its management. In addition, the existing Charity appeared to be effectively moribund, not having submitted any accounts to the Charity Commission since 2001/2 and having virtually no documented record of meetings or activities relating to the management of the farm. The full result of the consultant's investigations are

set out in Appendix 1 but taking this information into account it is the officer's view that the existing Charity is not a fit organisation to be managing the Board's land.

- 3.6 As a result of the inadequacies of the existing Charity, the consultant assisted with the setting up of a new limited company for which charitable status is currently being sought. The farm is now well managed, and a considerable amount of improvement works have taken place on the site and the necessary written policies and procedures for the new organisation are now in place. Fundraising has also taken place in the name of the new company with some initial success. Further details of the new organisation are provided at Appendix 3
- 3.7 Although Crossrail do not need to take possession of the site for construction works until early next year, there is a need to gain access to the part of the farm by Crossrail to enable them to carry out borehole investigations. Since this will effectively prevent this part of the farm from being used for a number of months, it has been agreed that Crossrail should take possession of this part of the site in advance of the commencement of construction works. In order to allow this to happen, works need to be undertaken on the remaining part of the farm to mitigate the impact of the loss of land. A new layout and specification for the remaining part of the farm has been agreed with Crossrail who have in principle agreed to fund the necessary work, which will take place as soon as access to the land can be gained. A layout and specification of the proposed works is set out in Appendix 2 from which it will be noted that there will be a significant improvement to the facilities at the farm albeit on a smaller site.

4. MATTERS FOR CONSIDERATION

- 4.1 In order to progress the mitigation works at the Farm and resolve the present legal and management issues surrounding the occupation of the land, the following matters need to be addressed:-
- The grant of a license to Crossrail to enter the land and carry out works
 - Termination of the occupation of the farm lands by the Charity
 - The appointment of officers of the Council to negotiate on behalf of the Board
 - Agreement to grant a lease to the new charitable organisation following the completion of works
 - Resolve the appointment of agents to act on behalf of the Board for dealing with day to day management of Stepping Stones Farm

Each of these matters is considered below.

4.2 Grant of a Licence to Crossrail

- 4.2.1 The licence would deal with two matters. The first would be to allow Crossrail to enter on the part of the farm site that will form part of the construction site in order to undertake the borehole investigation. Although in theory the land could

be returned to farm use once the borehole investigation has been completed, in practice the need for Crossrail to commence construction work in January 2011 means that it would be preferable if Crossrail retained responsibility for the site until possession is taken in accordance with the Crossrail Compulsory Purchase Order. Crossrail normally pay a licence fee to undertake borehole investigations on land which it does not own which in respect of the site at the farm it is likely to amount to approximately £5000. The precise figures are still being discussed by officers on behalf of the Board.

4.2.2 The second part of the licence would allow Crossrail carry out mitigation works to the farm in accordance with the works specified in the Appendix 2. Some of these works can be carried out fairly quickly e.g. erection of new fencing, whilst other aspects works would take much longer to complete e.g. erection of the barn. Furthermore, those works necessary to allow the animals to be relocated from the borehole site will need to be completed before Crossrail could commence the borehole investigations. The licence would also need to run for a sufficient period to allow for any unforeseen delays in the construction programme, and would of course include a full specification of the works that have to be undertaken by Crossrail.

4.2.3 A similar licence will need to be granted in order to progress the works to replace the Stepney Green football pitch, changing rooms and play areas. Whilst discussions on the general form of the license is already taking place, the precise specification of the Stepney Green works will need to await the results of the public consultation and the determination of the planning application. However bearing in mind the imminence of these works the Board is also requested to agree to grant a licence to Crossrail to undertake the works to Stepney Green Park.

4.3 Termination of the occupation of the Stepping Stones Farm land by the existing Charity

4.3.1 Clearly, the Board in its role of Trustee of the King George's Field Charity must carry out its duties within the law . Any organisation that occupies the Charity Land would be expected to operate in accordance with the same principles. It is quite clear from Appendix 1 that the existing Charity has not carried out its duties in a responsible manner and the run down state of the Farm meant that it was not effective in providing public benefits as required by the King George's Field Charity.

4.3.2 As stated earlier, the Charity Commission has been threatening for some time to remove the charitable status of the existing Charity for not having completed financial returns. Whilst this may happen in due course, it is the officers view that the unacceptable way in which the existing Charity has operated for the past few years, makes it essential that the Board terminates the occupation of the farmland by the Charity. Clearly, officers accept that the effective management

of the farm has been very difficult because of the long-term illness and eventual death of one of the two Trustees, but an effective organisation would have made alternative arrangements to manage the farm in such circumstances. It is also clearly a weakness of the Charity that it only had two trustees rather than the 6 required by its constitution. However there is of course no reason in principle why any those persons involved with the existing Charity could not become involved in any new organisation.

4.4 Delegation of Powers to Officers

4.4.1 Although officer's have been acting on behalf of the Board in dealing with Crossrail and indeed officers of Community, Localisation and Culture have been managing Stepney Green for many years, now that physical changes are proposed to the Charity Lands it is considered that officers be granted formal powers to act on behalf of the Board. Specifically this will empower officers to act on behalf of the Board in ensuring that the replacement facilities at both Stepney Green and Stepping Stones Farm are carried in accordance with the Parliamentary Undertakings and the Board's requirements as set out in the licence referred to above.

4.5 Licence and Lease Arrangements for the occupation of the farm site

4.5.1 As will be apparent from a visit to the farm, the current occupiers are managing and maintaining the farm in an effective and efficient manner. The new organisation "Stepping Stones Farm" is a company limited by guarantee that was set up in March 2009. The company has applied for charitable status although this has been delayed by the continuing existence of the original Charity. The company has 6 directors and as well as tidying up and improving the farm has been in place all the necessary formal procedures and practises required for the operation of a city farm. Further information about the new company is set out in Appendix 3.

4.5.2 On the assumption that the Board accepts the recommendation to terminate the occupation of the farm by the existing Charity (albeit that in practice the sole Trustee has not been present on the site), there is a need to formalise the occupation of the farm land by the new limited company that are currently managing the farm. The company has proved its ability to manage the farm in an effective manner and has also devoted much time and effort in improving the site. It is also essential for there to be a presence on site to facilitate and work with Crossrail to undertake the mitigation works. For all these reasons it is recommended that the existing Stepping Stones Farm Company be granted a license for 12 months to continue to manage the farm during the period in which Crossrail will be undertaking the mitigation works. In addition and in order to assist towards the running costs of the farm it is recommended that the normal license fee payable by Crossrail to undertake the borehole investigations is paid to the Stepping Stones Farm Company.

4.5.3 Although the existing Charity has no formal lease or license, it would clearly be essential for the future occupiers of the site to be granted a formal lease as is the case with the two other City Farms. It would also be logical for such a lease to be granted following the satisfactory completion of the Crossrail mitigation works. In granting such a lease the Board would need to satisfy itself that the organisation to which the lease is granted is fit for purpose.

4.6 **Future Corporate Responsibility for Stepping Stones Farm**

4.6.1 Following the publication of the Crossrail Act, officers of Development and Renewal have lead the negotiations with Crossrail and also appointed the consultant to facilitate the mitigation works to Stepping Stones Farm. Officers will continue to take lead responsibility in relation to Crossrail until the mitigation works have been completed. Because of the history of the site, at present no one Department of the Council has been authorised to act on behalf of the Board in dealing with the Farm or the land on which it occupies. However, the other two city farms in the borough are both “managed” by officers of CLC who are also responsible for the management of Stepney green Park. It would thus clearly be appropriate and in accordance with the Council’s organisational arrangements that following completion of the Crossrail works the Board request CLC to act on its behalf.

5. **COMMENTS OF THE CHIEF FINANCIAL OFFICER**

5.1 This report outlines the implications for the Stepping Stones Farm of the on-going Crossrail project.

5.2 As stated in paragraph 3.3, all costs associated with the reconfiguration of the farm to accommodate the construction works, and any necessary reinstatement to the farm on completion of the works will be fully funded by Crossrail.

5.3 Officers of the Council will be involved in the negotiation of the terms of licence agreements and will provide other support. This includes the Council's Communities, Localities and Culture Directorate acting as agents on behalf of the board to manage the Farm. This support will have to be met from within existing resources.

5.4 The Board are asked to agree that the licence fee that will be payable by Crossrail (approximately £5,000) be paid to the Stepping Stones Farm Company to assist with the on-going operation of the farm. This fee would otherwise accrue to the Charity.

5.5 The Report of the Assistant Chief Executive (Legal) refers to the need to grant a formal lease to any new body occupying the land in the long term (paragraph

6.6). At that stage it is essential that any rental terms are considered and agreed.

6. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

- 6.1 As highlighted in the body of the report, this situation is unique in that the Board whilst consisting of members of the Council has an entirely separate legal status, being Trustees of a charitable trust. It is legally accepted that Trustees may not always be able to discharge their duties personally and they can appoint persons to act on their behalf. It is clear that arrangements for the future management of this site need to be formalised and it would be appropriate for the Board to request that the Council act on its behalf. Decisions will always have to be made by the Board based on recommendations made to it by officers of the Council.
- 6.2 The Council would be a suitable organisation to appoint on behalf of the Board as it has a variety of officers with the necessary technical skills needed to manage and oversee this type of operation. It should however be made clear to officers of the council that they are acting on behalf of the Board and will only be able to operate within clearly defined parameters.
- 6.3 Turning to the various covered in the body of the report the following advice should be noted by the Board. As explained in the body of the report the legislation which governs the Crossrail project provides for Compulsory Purchase powers to be exercised to acquire land need to deliver the project. Any land acquired will result in compensation being paid to the affected landowner. In the short term, Crossrail require access to the farm in order to undertake preliminary works. In legal terms, the most appropriate way in which to achieve this would be to grant a formal licence to Crossrail. This is a legal document, which sets out the terms on which access is given and makes provision for dealing with any damage, which may occur. Such rights are normally granted in return for a monetary consideration being paid to the landowner to reflect the fact that they are deprived of use of the land in question.
- 6.4 In relation to the current and future occupation of the site, it is clear that matters need to be regulated. At present, it is unclear as to the legal basis upon which the Charity currently occupies the site. Legal officers have examined various documents relating to the site and have discovered a document, which was issued by the GLC and purports to be a licence granted to the Charity in 1979. The Licence indicated that it was determinable upon 3 months written notice by either party. It is not clear whether the Licence was ever determined following the transfer of the land to Tower Hamlets. There is no evidence to indicate that the Board granted a fresh Licence when it became owner of the land.
- 6.5 Given concerns over the operation of the Farm, it would be advisable to determine the Licence granted by the GLC, on the basis that the Board continued it when it took over ownership of the land. The Board would then be free to grant

a fresh Licence to the new organisation for a period of 12 months to enable it to monitor their performance. Any such Licence should allow the Board to determine it upon reasonable notice. Given that the land will be used for the operation of a City Farm and animal husbandry would be of primary concern, it would be advisable to allow the Licence to be determined on a relatively short period of notice, possibly 4 weeks.

- 6.6 Longer term it will be necessary to grant a formal Lease to any new body occupying the land. This will impose obligations on the occupier of the land to maintain it and enable the Board to regulate use in an appropriate manner. A number of issues will need to be considered when the lease is granted, concerning matters such as any rent payable, the term for which the Lease will be granted and whether the Lease should be excluded from the provisions of the Landlord and Tenant Act 1954. Whilst the Board should note these matters at the present time, the detail of the terms will not need to be addressed until a formal decision is made as to whether to grant the new body a Lease. Clearly, such a decision will be based upon an assessment of whether they have operated the site in a suitable fashion.

7. ONE TOWER HAMLETS CONSIDERATIONS

- 7.1 The Council's role as trustee of the charities referred to in paragraph 4.5 and 6.1 of this report must be exercised having regard to the objects, powers and limitations in the governing documents, which are described in this report. The Council is not, in exercising the functions of trustee, necessarily free to pursue its own partnership goals expressed in the Community Plan. That said, it seems clear that the discharge of the trustee duties, which involve the maintenance of playing fields and a public garden in perpetuity, will contribute to one of the key themes in the Community Plan: A Great Place to Live. The priorities for achieving a great place to live include supporting vibrant town centres and a cleaner safer public realm by supporting and improving open spaces

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 As stated in paragraphs 4.5 and 6.1, the Council's role as trustee of the charities referred to in this report must be exercised having regard to the objects, powers and limitations in the governing documents. The Council is not, in exercising the functions of trustee, necessarily free to pursue its own goals for sustainable action, whether expressed in the Community Plan, or otherwise. The Council's discharge of its trustee duties may incidentally, and perhaps will likely, contribute to sustainable action for a greener environment through the maintenance of the and allotments in perpetuity.

9. RISK MANAGEMENT IMPLICATIONS

9.1 It is important that the Council carries out its role as trustee of the charities according to law. Failure to do so may result in legal action or public criticism. That risk is assessed as low, but the purpose of this and related reports is to ensure that the Board is aware of its obligations in carrying out the Council's trustee function and is satisfied that the function is being properly exercised.

10. EFFICIENCY STATEMENT

10.1 It is important that the Council carries out its role as trustee of the charities according to law. This is not directly a matter of efficiency, having regard to the Council's duty as a best value authority under the Local Government Act 1999. That said, it is likely that review of the governance arrangements will aid the efficient management of the charities. Examples of possible efficiency gains are: (a) it may be easier for the Board and officers to manage the lands the subject of the charities if the delegation to council officers takes place as is recommended in the report; (b) Once the interim works are completed and the transfer of responsibility to CLC takes place this should allow for the most appropriately qualified officers to manage and support the farm.

**Local Government Act, 1972 Section 100D (As amended)
List of "Background Papers" used in the preparation of this report**

Brief description of "background papers"	Name and telephone number of holder and address where open to inspection.
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APPENDICES

Appendix 1: Summary of the consultant's findings in respect to the existing Stepney Stepping Stones Charity

Appendix 2: Schedule of Mitigation Works to Stepping Stones Farm

Appendix 3: Summary of information about the new Stepping Stones Farm Charity

Appendix 1

THE STEPNEY STEPPING STONES FARM CHARITY

Governance and Other Issues

The record of the Stepney Stepping Stones Farm is:

- According to the Charity Commission website in November last year, the charity, Stepney Stepping Stones Farm, had not submitted annual returns since 2001/2.
- According to its auditor, it has also not prepared accounts for a similar period.
- Thanks to the work of those involved with the new organisation and the auditor, these have now both been completed and await the signature of Mr Bennett.
- There are still, within the accounts, unaccounted for items of income and expenditure of some thousands of pounds.
- The Commission last November informed a representative of LBTH that it was considering removing the charity from its register in January 2009.
- The farm has been informed that, in contravention of DEFRA regulations, farm animals have been buried on site. DEFRA, the local authority Environmental Health Department and Crossrail have been informed of this and the farm awaits their advice.
- There is a standing order for a television license fee in the name of an individual being paid for out of charitable funds.
- We are informed by Unicom that the broadband and telephone, paid for out of the charity's account, were in the name of one of the trustees as a sole trader.
- That, when the new limited company was set up it discovered a number of unpaid bills, some going back to the previous year.
- Although the constitution dated 1979, requires seven committee members, again according to the Commission website, there were only two and with the death of one of those trustees, the charity now has only one trustee
- No records can be found of any minutes or record of any meetings of the charity.
- There have been serious concerns in the governance of the farm expressed by the Federation of City Farms and Community Gardens since, at least 2002.
- There have been serious concerns, again from the Federation, from reports of other city farms and its own experience, in regard to the welfare of the farm animals on site, again going back over the same period.
- There have been adverse Health and Safety reports on the farm, again going back a few years
- The local RSPCA Inspector has reported that she has been called out at least 50 times over the past 2½ years as a result of complaints from members of the public.
- There have been adverse reports from DEFRA in regard to the welfare of animals on the farm, one going back to 2002.

- Recently, despite requests and reminders to the remaining trustee from the Commission, none has been forthcoming despite a period of some months having now passed.
- Until October last year, smoking within the public buildings on the farm was common contrary to anti smoking legislation.

Record of the Above

Annual Returns and Finances

Although the Charity Commission website shows that returns have not been submitted since March 2003, I am informed by the Commission today that, after 6 years, this previous record is automatically not maintained on their website. In a telephone conversation with a member of the Charity Commission staff in, probably, November last year, I was informed that it was considering the removal of the charity from of its register in January 2009.

The farm's auditors, has confirmed by e mail that, although his company prepared the accounts for 2000/2001 some time ago and carried out some work in regard to 2001/02, it was not until 2008 that he was contacted, as part of the work to move the farm on, and asked to prepare accounts. Accounts have now been prepared for the years 2001/2 until 2007/8, although these accounts show the items of income and expenditure for which no records appear to be available to support them. Copies of the accounts are attached.

The payment for the television license is, I understand, included as a standing order, on the charity's bank statement and the bills that were outstanding are also a matter of record on the farm. The matter of the registration of the broadband and telephone with its supplier, Unicom, was confirmed to both myself and Ian Lowe by the company when we contacted it to confirm that is was the farm's supplier.

Governance, Behaviour on Site and Previous Work on the Farm

There have been serious concerns in regard to the governance of the farm and the behaviour of some of those on the project, specifically from the Federation of City Farms and Community Gardens since, at least 2002. These were witnessed by representatives of the Federation and other city farmers who then informed the organisation of their concerns. In regard to smoking within the farm buildings, it was seen by myself after which I advised those present of the legal situation and the practice ceased. I also witnessed drinking of alcohol on site when those attending the first committee meeting seemed to feel that it was quite in order to drink during such meetings. A Code of Conduct was later prepared and agreed which included a clause in regard to drinking alcohol on site.

The farm's constitution requires four officers and a minimum of three other members of the management committee, yet the Charity Commission website shows that there is now only one trustee and had been only two for some considerable time. These being a married couple. It is not considered good practice to have husband and wife or other co-habiting couples jointly on a voluntary management committee much less, as the only two trustees of a charity

It also appears that little was done following the work carried out by Mike Primarolo, a previous consultant with a great deal of experience of city farms, in the intervening years since his report was produced.

Animal Welfare

The welfare of the animals on the farm has been a cause for concern for some years with the Federation of City Farms and Community Gardens specifically. The Federation did, in fact, contact one of the trustees about the situation and offered their advice and help. The response was not helpful. In addition, the local RSPCA Inspector informed those now on the farm of the number of times (50 times in 2½ years in that inspector's experience alone) that the organisation had been called out to the farm in response to comments from members of the public. The Inspector confirmed this to me personally recently. To have that number of calls in regard to one project is disturbing and, to my knowledge, unprecedented.

When members of the new committee took up their roles, they contacted DEFRA, RSPCA and the vet and asked them to visit the farm, inspect the animals and advise the organisation as to what needed to be done. Their recommendations have been complied with and the vet now visits regularly. One of her concerns was the state of the donkeys' hooves, which had not been properly cared for with the result that they were both forced to walk on their heels, which could result in damage to the ligaments. She recommended that the farm call in a farrier to deal with this and this was done. The farrier and the vet both felt that this was a long-standing problem, which had not been treated for at least a year and, probably, longer. Other evidence of the lack of care for the animals was evident with a report from DEFRA as far back as 2002

On 23 July, volunteers informed me that farm animals were buried on the site. As I assumed that this would contravene any regulations, I informed LBTH and asked what action needed to be taken. I was put onto DEFRA who told me it was against the law to dispose of animals on site and that they would write to the farm about the situation. DEFRA also said that LBTH was the body that would take any action and I reported this to the Council. The practicality of the situation is that those areas where the animals are buried cannot be disturbed without allowing for a worst-case scenario or used of grazing or growing produce. As Crossrail are shortly to come on site and disturb the ground, at a meeting on 31 July, they were informed of the situation.

Health and Safety Issues

The farm has been visited by representatives of LBTH Environmental Health Department on a number of occasions. Since its inception, the new limited company has dealt with all the issues raised on these inspections. These reports will be a matter of record at LBTH.

Record of Contact with Charity Commission

I first contacted the Charity Commission soon after I started this work at the end of October last year. This was initially in the form of general enquiries, as I did not, at that time, want to start alarm bells ringing. However, once I identified myself in regard to questions about the accounts, I was informed that the Commission was considering removing the charity from its register for failure to submit annual returns over a number of years. The following is a record of my contact with the Commission. It is not complete, as it does not include most of my telephone calls:

Mike Daligan - Consultant

Appendix 2

STEPPING STONES FARM

Schedule of Interim Works

To supply and fit with all necessary fittings and fitments:

Three bar wooden fencing with posts to a total of 400 metres

Four bar wooden fencing with post to a total of 100m

6 no 2.6m wooden gates

1 no 3.6m wooden gate

Area of paved hardstanding to full width of all gates by 2 m for each gate

2 Magna type security-locking systems, one for the front and one for the back gate

1 no security camera fitted to back gate and connected to IT security system.

System to be checked to ensure that it is adequate and, if not, upgraded to be so.

Remove and dispose of 2 no steel storage containers

Remove and dispose 3 no portakabins

Check soil conditions and drainage in areas for new fields and carry out remedial works as necessary and reseed.

Create new compost area in 150mm concrete blocks including hardstanding. Wall to be 8m x 8m x 1.5m high, fairfaced and painted white.

1 no L shaped timber barn 14m x 8m on one side and 8m x 8m on the other side with pitched roof. Building to be double height to allow for storage over animal stalls below.

Create 15 no animal stalls within barn, each 3m x 3m x 1.5m high in 100mm fairfaced block to a total length of 84 m with stable type doors to each.

Create 3 no doors from pig stalls to outside pig area.

Create new outside pig area to be enclosed with 100mm fairfaced concrete block walls 1.5m high.

Create storage platform over with access ladder and guardrails and provide 3 no double height, double doors at each end of the L shaped barn.

Break up and replace duck pond in new position.

Move existing chicken housing to new area and create outside area for the birds.

Move existing toilets to new position adjacent to main building.

Supply 4 no farm animal drinking troughs with ballcock control to each.

Supply and fit one new standpipe

Excavate and lay 62 m of piping for water supply to standpipe and troughs.

Demolish existing buildings in the yard currently used for storage and crafts area, remove from site and make good.

Construct buildings and external display area to create a Rural Crafts Centre.

Remove and relocate all garden plot boxes and associated structures with an amount of compensation to relevant plot holders.

All timber to be supplied from sustainable sources and treated with environmentally friendly timber treatments.

Appendix 3

STEPPING STONES FARM COMPANY

The farm registered as a company limited by guarantee in March 2009 and applied for charitable status in April. It comprises six directors, four of whom are the original members who first signed the Memorandum and Articles of Association. The Directors are:

- Bessie Venables
- Sarah Lake
- Ian Lowe
- Sean Marshall
- Mark Nunn
- Francesco Vasari

Four of them are directly local residents, one lives in Hackney and one in Hounslow. During the past year, members of the new board and other volunteers have carried out sterling work to move the farm forward including:

- Running the farm on a day to day basis with very little in the way of resources
- Setting up a structure for the farm of a management committee and various sub committees
- Holding regular meetings with the London Borough of Tower Hamlets and Crossrail about its future plans
- Having meetings with other voluntary and statutory organisations within the area and with the Federation of City Farms and Community Gardens and other city farms in London
- Organising and running a visioning day for the board on the possible redevelopment of the farm
- Organising and holding a major community consultation day in which nearly 300 people participated
- Organising a tidy up of the site and much needed maintenance and development work
- Ensuring that all the charity's accounts and finances were up to date
- Ensuring that it had all the relevant policies and procedures including CRB checks for volunteers
- Successfully encouraging new volunteers to work on the project
- Organising and running a number of corporate volunteer training days
- Drawing up plans for its redevelopment
- Setting out plans for its management structure including a number of sub committees
- Preparing an outline funding strategy and identifying the staff posts that are needed
- Starting to set up a Rural Crafts Centre

- Holding discussions with the local authority and Capel Manor College such that the latter plan to make use of the farm in the coming year for the government's new Environmental Education Programme and commit £20,000.00 of capital for this as well as an amount for revenue
- Including the corporate training days, raising somewhere in the region of £20,000.00 for the farm's funds since March
- Submitted a major application to the Local Food Programme for a member of staff plus running costs
- Held a number of training sessions as part of a continuing programme of strengthening the committee
- Recently held further meetings with LBTH and Crossrail such that the latter are likely to contribute a substantial amount of capital to the first stage of the farm's redevelopment starting before Xmas

The result has been a turnaround for the farm and its fortunes such that it can now move forward and provide a resource for the whole of the local community in partnership with the local authority and those organisations and individuals who have now come forward to offer their assistance.

The next stage is to use the results of the consultation exercise to prepare a Feasibility Study, Funding Strategy and Business Plan for the redevelopment and long-term sustainability of the project. After which the plan is to enlarge and strengthen the board and/or the sub committees such that the committee is fully representative of the local community. Ironically, this whole task is aided by the fact that, at the end of this year one third of the site will be taken over for the construction of Crossrail and handed back five years later. As a result, that organisation is committed to working with the farm and the local community to help to redevelop the project and achieve long-term stability.

In addition, Capel Manor College wishes to use the Farm as a centre for the new Diplomas in Land based and Environmental Studies for 14/19 year olds. These are to be offered alongside GCSEs and A levels and delivered through partnerships of schools, specialist vocational providers and employers providing access to a range of vocational training opportunities for secondary schools. Each consortia needs access to practical facilities and the Farm has been identified as a potential venue for the east London consortium. The local authority's input has been to provide the services a consultant, who himself has been involved in city farms since 1979, to help redevelop the farm and move it forward.

Mike Daligan - Consultant