

Committee: King George's Fields Charity Board	Date: 6 th January 2010	Classification: Unrestricted	Report No:	Agenda Item:
Report of: Owen Whalley – Head of Major Projects, Development and Renewal		Title: Stepping Stones Farm – Crossrail Update and Implications		
Originating officer(s) Bob Bennett – Crossrail Project Manager		Wards Affected: Stepney Green		

1. SUMMARY

- 1.1 At the last meeting of the Board held on 14th October 2009 Officers provided an update on the Crossrail proposals as they affected Stepney Green and Stepping Stones Farm. The report also provided information on the operation of the existing Stepping Stones Charity, the steps being taken to both maintain and enhance the Farm, and the role of the new Company occupying and managing the site. At the meeting Members agreed to terminate the licence of the existing Stepping Stone Farm Charity, but did not agree to grant a temporary licence to the Company currently occupying because of the need to secure further local involvement in the running of the farm. This report provides a further update on the Crossrail proposals form mitigating the impact of Crossrail on the Farm, and put forward a number of recommendations about the actions needed to ensure the continuing successful operation of the Farm and implication of the Crossrail proposals.

2. RECOMMENDATIONS

The Board is recommended to:-

- 2.1 Note the progress being made on the mitigation works to Stepping Stones Farm as described in paragraph 3.2
- 2.2 Agree to the further involvement of consultant Mike Daligan in accordance with the revised terms of reference as set out in paragraph 4.6.2.

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.

- 2.3 Request that the Authority are asked to investigate potential funding streams to contribute towards the estimated £20,000 per annum day to day running costs of Stepping Stones City Farm.

3. BACKGROUND

- 3.1 Since the last meeting there have been a number of significant developments in relation to the Crossrail proposals as they affect both the Stepney Green Football Pitch and the Farm. Following the appointments of new design consultants, Crossrail have revised the design of the Stepney Green Shaft with the effect that it is no longer necessary to relocate the football pitch. However, because of the close proximity of the construction works to the edge of the pitch, Crossrail recognise that the pitch could be affected and have agreed that once the tunnelling is complete the pitch will be rebuilt. Crossrail have now commenced bore hole investigations at Stepping Stones Farm and would be commencing similar investigations at Stepney Green in the very near future.
- 3.2 So far as Stepping Stones Farm is concerned, the revised proposals will still result in the loss of one third of the Farm for the whole of the five year construction period. However, Crossrail have now confirmed their agreement to undertake works of mitigation to the remaining part of the Farm which will involve reconfiguration of the grazing fields and allotments, new fencing and the construction of a new barn to accommodate some of the displaced animals. There are a number of outstanding issues that still need to be resolved and Crossrail have agreed to carry out consultation in the local area before finalising their proposals. Once the proposals have been agreed a planning application will need to be submitted, and a licence entered into with Crossrail to ensure the implementation of the mitigation works. It is understood that the mitigation works would take approximately 12 months to complete and would be undertaken prior to the commencement of the main construction works.
- 3.3. In relation to the management of the Farm the existing company is continuing to undertake the day to day management of the site, but the effect of the decision made at the last meeting of the Board not to grant a temporary licence is that by default officers are now responsible formally for the management and operation of the farm. As regards Members concern to secure more involvement of local people, it is understood that the two Board Members that live outside the Borough have now resigned and active steps are being taken to recruit local people to the Board. It is also proposed to hold an Annual General Meeting in spring 2010. The consultant, Mike Daligan is continuing to provide support to the Farm and work with Crossrail on mitigation work. The issue of who manages the farm in the longer term will need to be the subject of a further report to the Board in due course.

4. MATTERS FOR CONSIDERATION

4.1 Arising from the decisions made from the last meeting of the Board, and the imminence of the commencement a number of resource issues need to be addressed as a matter of some urgency. These relate to:-

- The need to manage and monitor the mitigation works by Crossrail
- The need to ensure that the Farm continues to operate in a responsible manner bearing in mind that the Council is now directly responsible for the Farm
- The need to continue capacity building with existing Company with a view to seeking charitable status and effective fund raising
- The day to day running cost of the Farm

4.2 Management and Monitoring of the Crossrail Works

4.2.1 As indicated above mitigation works to the Farm are significant and will take some 12 months to complete. The work will need to be carefully managed and monitored both to ensure that the Farm can continue to operate, and to ensure that the works themselves are completed to the Council's satisfaction bearing in mind that the Farm is an asset of the Mile End charity. So far as Crossrail is concerned there is an urgent need for a "Single point of contact" in relation to these works, since it is clearly not practical to have to liaise and negotiate with the Board of the Farm as a whole. Crossrail recognise that this activity is part of the mitigation works and agreed to fund the cost which is likely to be in the region of £40,000 over a 12 month period.

4.3 Day to Day Management of the Farm

4.3.1 Whilst Officers of Development & Renewal will continue to remain responsible for overall negotiations with Crossrail and the implementation of the mitigation works, clearly officers do not have the knowledge and experience of actually running a City Farm. Notwithstanding the lack of any formal licence to occupy the site, the existing Company is prepared to continue to maintain and operate the farm but in view of the Council's ultimate responsibility, it is essential that Farm activities are properly monitored and managed on the Council's behalf. This will ensure that for example any Health & Safety Issues arising are dealt with in a proper manner and that the Farm animals are looked after in a proper manner. It is estimated that this will require approximately half day a week which will have a cost of approximately £10,000 over a 12 month period which will be supported from within existing Council staffing resources.

4.4 Capacity Building of the Farm and Setting up the new Charity

4.4.1. Although the consultant has completed a considerable amount of work with the new Company and set in place proper management systems that did not previously exist, the need for this work is ongoing until the

Company achieves full charitable status and has some form of title to the land. Although it is difficult to fund raise in the present circumstances, the consultant has been able to access charitable funds and it is clearly important to continue this work as it will minimise the cost to the Council of running the Farm. It is estimated that this will require approximately half a day per week which will be supported from within existing Council staffing resources.

4.5 Day to day running cost of Farm

4.5.1 Although all the people running the Farm are volunteers there are external costs which need to be met. These include for example the utilities bills, animal feed, equipment and some administration costs. The consultant estimates these to be in the region of £20,000 over a 12 month period, and although it may be possible to obtain charitable grants to offset these costs, the Board need to ensure that a contingency budget is made available for this purpose.

4.6 Amendment of the consultant's terms of reference

4.6.1 As stated at the last meeting, the responsibilities of the existing consultant Mike Daligan already include securing the reconfiguration of Stepping Stones Farm on the reduced site and ensuring that the Farm remains a viable operation. However, this responsibility needs to be modified slightly to make it clear that the consultant will be the "single point of contact" between Crossrail, the Farm and the Council. In addition the Consultant has responsibility to ensure that the Farm becomes a fit organisation capable of running a farm as a viable business. However, the responsibility for ensuring that the Farm is run in a proper manner on behalf of the Council would also require an amendment to the Consultants terms of reference.

4.6.2. The amended brief is set out below:-

- 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 and act as the single point of contact between Crossrail, the Farm and the Council.
- 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 Farm is managed on behalf of the Council in a proper manner in accordance with the rules and requirements for City Farms and in accordance with all relevant statutory legislation.

4.6.3. Council officers will monitor Mr Daligan's work to ensure that he acts properly having regard to the amended brief. Reports will be made to update the Board at appropriate intervals.

4.7. Resource Implications

- 4.7.1. As noted above Crossrail have agreed to finance the Consultants costs in respect of the supervision of the mitigation works of Stepping Stones Farm. The cost of ensuring that the Farm Company becomes a fit organisation will be met from within the Council's staffing budgets. However resources are required to finance the day to day running costs of the City Farm which it has indicated above could amount to £20,000 over a 12 month period. Although the Consultant will attempt to secure Grant Aid it is suggested that the Council is approached to underwrite this expenditure since otherwise the Farm would have to close.

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 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. (Paragraphs 3.2 and 4.2.1).
- 5.3 Officers of the Council are involved in the overall management of the farm, and in addition are assisting in capacity building the farm staff and its proposed establishment as a charity. The resources required to undertake these activities are staffing related which are being met from within the resources of the Council's Development and Renewal Directorate.
- 5.4 The report also requests that in addition to staffing support, the Council are approached to provide or seek funding to underwrite the day to day running costs of the farm (estimated at £20,000 per annum). The availability of this funding will be a matter for the Council to determine, but it is recommended that the Board continue to seek alternative funding sources for these costs. ...

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

- 6.1 The Board is asked to agree the involvement of a consultant as set out in 4.6.2 of the report. As advised previously, 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 Council officers act on its behalf and that a consultant may be engaged to assist where additional expertise is required. Decisions will always have to be made by the Board based on recommendations made to it by officers of the Council.

- 6.2 The report provides an update on the Crossrail project. This was the subject of advice in the report of 14 October 2009, at which time the Board delegated power to officers to negotiate a licence with Crossrail. Further advice is not required based on the update. It will be for officers to ensure that the Board is kept informed and that decisions concerning the project are brought forward to the Board as appropriate.
- 6.3 It is proposed that the Board request that a budget be set up to cover day to day running costs. It is appropriate for the Board to request funds from the Council in order to discharge the trustee function.

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 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.