



Meeting of the

KING GEORGE'S FIELD CHARITY BOARD

Wednesday, 15 February 2012 at 6.30 p.m.

A G E N D A

VENUE

Room C1,1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent,
London, E14 2BG

Members:

Chair: Mayor Lutfur Rahman	(Leader of the Council)
Vice-Chair:Councillor Ohid Ahmed	(Deputy Leader of the Council)
Councillor Rofique U Ahmed	(Cabinet Member for Regeneration)
Councillor Shafiqul Haque	(Cabinet Member for Jobs and Skills)
Councillor Shahed Ali	(Cabinet Member for Environment)
Councillor Abdul Asad	(Cabinet Member for Health and Wellbeing)
Councillor Alibor Choudhury	(Cabinet Member for Resources)
Councillor Rabina Khan	(Cabinet Member for Housing)
Councillor Rania Khan	(Cabinet Member for Culture)
Councillor Oliur Rahman	(Cabinet Member for Children's Services)

[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, 15 February 2012

6.30 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 meetings of the Board held on 20 July 2011 and 23 November 2011.

**PAGE
NUMBER** **WARD(S)
AFFECTED**

3 - 14

4. KING GEORGE'S FIELDS CHARITABLE TRUST ANNUAL ACCOUNTS, 2010/2011 (KGFCB 006/1112)

To consider and approve the annual accounts of the King George's Field Mile End and King George's Field Tredegar Square charities for the 2010/2011 financial year. To consider also, responses to information requested by members of this Board at the meeting on 23 November, 2011.

5. POTENTIAL MERGER OF KING GEORGE'S FIELDS MILE END CHARITY AND KING GEORGE'S FIELDS STEPNEY TREDEGAR SQUARE CHARITY

To receive a report of the considerations that will need to be undertaken if the Board wishes to consider the merger of King George's Field Mile End and King George's Field Tredegar Square charities.

6. EXCLUSIVE USE OF MILE END STADIUM AS A GAMES TIME TRAINING VENUE BY THE UNITED STATES OLYMPIC COMMITTEE

To consider a report on the proposed use of Mile End Stadium as a Games Time Training Venue by the United States of America Olympic Committee.

7. ANY OTHER SECTION ONE BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

8. 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
9. EXEMPT MINUTES		
To confirm as an accurate record of the proceedings the exempt minutes of the meeting of the Board held on 20 July 2011 and 23 November 2011.	91 - 98	
10. LEASING OF SHOP UNIT UNDER THE GREEN BRIDGE, MILE END PARK		
To let a shop unit under the Green Bridge, Mile End Park.	99 - 108	
11. GREEN BRIDGE COMMERCIAL UNITS - TENANCY DETAILS		
To consider tenancy details as requested by the Board at its meeting on 23 November 2011.	109 - 112	
12. ANY OTHER SECTION TWO 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 6.30 P.M. ON WEDNESDAY, 20 JULY 2011

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

Members Present:

Mayor Lutfur Rahman
Councillor Ohid Ahmed
Councillor Alibor Choudhury
Councillor Rania Khan
Councillor Shafiqul Haque
Councillor Abdul Asad
Councillor Shahed Ali

Officers Present:

Michael Rowan – (Director of Mile End Park)
Jill Bell – Head of Legal Services (Environment), Legal Services

John Williams – (Service Head, Democratic Services, Chief Executive's)

1. ELECTION OF CHAIR FOR THE MUNICIPAL YEAR 2011/202

RESOLVED

That Mayor Lutfur Rahman be appointed as Chair of the King George's Field Charity Board for the municipal year 2011/12.

2. ELECTION OF VICE - CHAIR FOR THE MUNICIPAL YEAR 2011/2012

RESOLVED

That the Deputy Mayor, Councillor Ohid Ahmed, be appointed as Vice-Chair of the King George's Field Charity Board for the municipal year 2011/12.

3. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillor Rofique Uddin Ahmed, Councillor Rabina Khan and Councillor Oliur Rahman.

RESOLVED

That the apologies for absence be noted.

4. DECLARATIONS OF INTEREST

No declarations of interest were made.

5. UNRESTRICTED MINUTES

RESOLVED

That the unrestricted minutes of the meeting of the King George's Field Charity Board held on 6th April 2011 be agreed as a correct record and the Chair be authorised to sign them accordingly.

6. TERMS OF REFERENCE REPORT (KGFCB 001/1112)

The meeting considered a report of the Service Head, Democratic Services, circulated with the agenda papers, which set out the terms of reference, membership, quorum and programme of meetings of the King George's Field Charity Board for the municipal year 2011/12.

RESOLVED

That the terms of reference, membership, quorum and programme of meetings of the King George's Field Charity Board for 2011/12 be noted as set out in the report.

7. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

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.

8. EXEMPT MINUTES

9. REVISION TO HEADS OF TERMS OF THE LEASE WITH COSTA COFFEE (KGFCB 002/1112)

The item was considered in closed session.

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

Report to next meeting

Members asked that a report be prepared for the next meeting of the Board summarising the work of the Trust, its aims, activities and operational arrangements. Information should also be included on the assets held by the Trust and in relation to each property unit, the duration of any lease in place, rent review arrangements etc.

RESOLVED

That the officers prepare a report on the above matters for submission to the next meeting of the Board.

The meeting ended at 6.37 p.m.

Chair,
King George's Field Charity Board

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LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE KING GEORGE'S FIELD CHARITY BOARD

HELD AT 6.30 P.M. ON WEDNESDAY, 23 NOVEMBER 2011

**COMMITTEE ROOM M72, TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG**

Members Present:

Councillor Ohid Ahmed (Vice-Chair, in the Chair)
Councillor Shafiqul Haque
Councillor Shahed Ali
Councillor Abdul Asad
Councillor Alibor Choudhury
Councillor Rania Khan

Officers Present:

Michael Rowan	– (Director of Mile End Park)
Stephen Adams	– (Finance and Resources Manager, Communities Localities & Culture)
Jill Bell	– Head of Legal Services (Environment), Legal Services
Antonella Burgio	– (Democratic Services)

Councillor Ohid Ahmed, Deputy Mayor took the Chair.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mayor Rahman and Councillors Rabina Kahn, Oliur Rahman and Rofique Ahmed.

2. DECLARATIONS OF INTEREST

No Declarations of personal or prejudicial interest were made.

3. UNRESTRICTED MINUTES

The minutes were presented for approval. Members considered the minutes and asked for the following information:

- the requests for information made by Board members at the meeting
- the requested information on the shop premises and leases
- the requested information concerning the rents

It was agreed that a report would be presented by officers on the above matters at the next meeting

RESOLVED

That the unrestricted minutes of the meeting held on Wednesday 20th of July 2011 be deferred.

4. REPORTS FOR CONSIDERATION

At the request of Councillor Rania Kahn, the Chair agreed to vary the order of business. Accordingly, agenda item 4.2 "King George's Fields Charitable Trust Powers and Duties" was considered as the first business item. Following this, the agenda order was resumed.

4.1 King George's Fields Charitable Trust Annual Accounts, 2010/2011(KGFCB 003/1112)

The item was considered as the second business item. Stephen Adams, Finance and Resources Manager presented the report circulated at agenda item 4.1 which set out the annual financial accounts for the King George's Fields Charities of Mile End and Tredegar Square. Appendix 1 set out how monies had been spent, governance arrangements, and objectives.

In response to questions from the Board of the following information was provided:

- Councillor Abdul Asad made the following enquires:
 - Regarding what monies were presently available, Councillor Asad was informed that the books were balanced. All income generated was spent on the Charity's parks.
 - Concerning expenditure for salaries, the Finance and Resources Manager Resources confirmed that no single employee had earned more than £60,000 in the financial year. The sum indicated in the reconciliation was a total figure.
 - Concerning why the boundaries of the charity had been extended from the original area in Stepney Green to Mile End Park. He was informed that part of the understanding when the park had been built was that money generated would be used for the park.
 - Concerning why income generated at Mile End was not used for the Stepney Green Tredegar Square, he was informed that both were administered as separate charities. The charity for

Tredegar Square did not generate its own income. The Council provided one quarter of the funds to maintain Mile End site and all of the monies for the maintenance of Tredegar Square (Stepney Green).

Councillor Asad noted that there was greater need of monies at the Tredegar Square site and suggested a review of funding be undertaken. He also proposed that the charities be combined and was advised that this would require an application to the Charity Commissioners. There would also be legal fees that need to be paid by the Trust. The Board was advised that monies that monies spent for Trust purposes would need to be taken from the Trust's funds. Councillor Asad asked Legal Services to research the proposal to combine the Mile End and Tredegar Square charities and report back.

Action Jill Bell, Head of Legal Services – Environment

- Councillor Ohid Ahmed made the following enquires:
 - The Chair requested details of sums in the 'other incomes and other services categories' and of the '£365,000 public realm' contribution. He was advised that shop closures because of the recession had impacted negatively on the budget; these had now been mostly completed and it was expected that there would be more settled leases (going forward). In turn, this would mean that less support was necessary from the Council. Additionally, as the new rentals tended to be corporate chains the shop units were expected to generate a more steady income.
 - The Chair requested a discussion paper be brought to the next meeting around a proposal to merge the Mile End and Tredegar Square charities.

Action Jill Bell, Head of Legal Services – Environment

- Councillor Shahed Ali made the following enquires:
 - Concerning details of monies spent in the categories: "other rentals" valued at £297,000, Councillor Shahed Ali was informed that the rentals were achieved from community leisure facilities.
 - The board asked for more detailed breakdown of the categories of "other rentals", "other lettings", "categories for incoming resources", details of "repairs and maintenance" and "resources expended". It was proposed that the accounts be deferred until this information was provided.

Action Stephen Adams, Finance and Resources Manager

The Board proposed that approval of the annual reports and accounts be deferred pending further information and requested that an extra Board meeting be scheduled on a Wednesday once the information was available.

Action Democratic services

RESOLVED

1. That the annual reports and accounts for the Mile End charity and Tredegar Square charity be deferred pending further information
2. An extraordinary meeting be scheduled once the requested information was available.

4.2 King George's Fields Charitable Trust Powers and Duties (KGFCB 004/1112)

The Finance and Resources Manager presented the report circulated at agenda item 4.2. This informed the Board of the composition of the charitable Trust, its history, the current governance arrangements, the specific powers of the Council as a trustee of the charity, and the properties managed by the trustees.

In discussion the Board members raised the following matters:

- Square footage measurements of the each of the shop premises was missing from the report. It was agreed that a breakdown of the measurements of each shop unit would be provided.

Action Stephen Adams, Finance and Resources Manager

- Whether rents were market tested; and whether there was a break clause in the lease. The Board was informed that to ensure that the Council's best negotiating hand lease rates were reviewed after five years. Commercial agents were appointed to carry out rent reviews and different companies were used for different premises. The Finance and Resources Manager confirmed that a mezzanine was included as part of the rentable area. Councillor Shahed Ali noted that where there a building had potential for a mezzanine floor it would affect the rateable value therefore he requested that details of the square footage of each shop unit in shell form be provided and confirmation whether storage and waste facilities were included in the rateable value and lease.

Action Stephen Adams, Finance and Resources Manager

The Board was informed that different rent review processes were used for different types of premises.

- Councillor Shahed Ali also made the following enquires:
 - Concerning the company which held the lease at 389 Mile End Road, Councillor Ali asked on what date the company had gone into administration. The Board was advised that this occurred 18 months ago. After it had gone into administration, the assets were realised and the lease was assigned to another party. Councillor Ali asked if this affected the lease for the property that was to have been reviewed and was informed that this would be investigated and a written answer provided to the Board.

Action – Jill Bell, Head of Legal Services – Environment

- He enquired when the rent review for premises No 389 would be re-instated and was advised that there had been negotiation with a new firm of surveyors and a lease review agreement was now with this new firm.
- He enquired about the date at which the rent review at 554 Mile End Road had started and was advised that the review could not be started before the rent review date (14th of July 2012) however it could be started after this time and would be backdated to the review date.
- He requested the rental history of all the leases to investigate consistency of patterns of rentals achieved. The information was required to enable comparisons of each of the premises.

Action

Stephen Adams, Finance and Resources Manager

- Councillor Ali asked Officers to clarify the arrangements for letting of the vacant premises at 558 Mile End Road, the Head of Legal Services – Environment advised the Board that Strattons Estate Agents had received an approach from Coral Bookmakers. The Agents advised that Corals were reliable in their payments and asked the Trust Board to give its opinion on the lease application.
- Councillor Ali asked Officers to consider applicants who would give benefit and provide services to users of the park. The Board was advised that in considering the application, it was not possible to raise objections or reject the application based on moral grounds as the Board had an obligation to maximise assets. The Board was advised that that it would be prudent for the Board to consider the application from Coral but also to look for other prospective tenants.
- Councillor Ali commented that a low rental was achieved from

the three units 383 -- 387 Mile End Road" which were leased to Budgen's. The Finance and Resources Manager advised that there had been an unsuccessful appeal relating to the rent the Council had lost because it didn't have a professional negotiator.

- In general, he advised that the Trust Board should allow the leases to expire as rent levels in newly negotiated leases would set the expectation for prospective applicants. This had worked to increase rent levels.
- Councillor Shafiqul Haque made the following enquires:
 - He requested information on monies that were held by the Trust.
- Councillor Abdul Asad made the following enquires:
 - He enquired how the income from shop units run by the Trust were used and was informed that, under the terms of the Trust, income can only be received and used by the Trust.
 - He asked for clarification of the areas that were relevant to the Trust and queried that previously Stepney Green area was pertinent but did not include Green Bridge. To verify the geographical areas pertaining to the Trust, officers referred the Board Members to a map that illustrated the relevant areas. The Board Members inspected the map.
- Councillor Ohid Ahmed made the following enquires:
 - He asked that information be clearly presented so that the figures can be compared. He was advised that a range of factors could be used such as the length of the lease, area of the premises, rental value and type of usage; all of these parameters affected the rental that could be achieved. Leases were reviewed every five years so that they could be brought in line with market rates.
 - He noted the variation in current rents achieved from the premises listed at table 7.1 and asked for the differences to be explained

Action Stephen Adams, Finance and Resources Manager

RESOLVED

That the report be noted

5. ANY OTHER NON RESTRICTED BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

Nil items.

6. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That press and public be excluded from the meeting during consideration of the exempt minutes and agenda item "558, mile end road arrears", since the report contained information falling within paragraphs 1 and 2 and 3 of scheduled 12 A of the Local Government Act 1972. The categories defined were "one, information relating to an individual", "two, information which is likely to reveal the identity of an individual" and " three, information relating to the financial or business affairs of any particular person (including the authority handling the information)".

The public interest in favouring public access to local authority meetings is reflected in the provisions of part V A of the LGA 1972. However the reports contained information relating an individual and to the financial or business affairs of a tenant and the Trust in a commercial transaction still to be completed. The Board considered that in order to discharge its duty the items should only be considered in private.

7. EXEMPT MINUTES

This item was considered in closed session.

8. RESTRICTED REPORTS FOR CONSIDERATION

8.1 558 Mile End Road arrear (KGFCB 005/1112)

This item was considered in closed session.

9. ANY OTHER RESTRICTED BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

Nil items.

The meeting ended at 7.45 p.m.

Chair, Mayor Lutfur Rahman

King George's Field Charity Board

Agenda Item 4

Committee/Meeting: King George's Fields Charity Board	Date: 15 th February, 2012	Classification: Unrestricted	Report No: KGFCB 0006/1112
Report of: Corporate Director, Communities, Localities & Culture Originating officer: Stephen Adams		Title: King George's Fields Charitable Trust Annual Accounts, 2010/2011 Wards Affected: All Wards	

1. SUMMARY

- 1.1 This report provides details of the annual accounts of the King George's Field Mile End and King George's Field Tredegar Square charities for the 2010/2011 financial year. It also contains information in respect of various questions that the members of this Board raised about the annual reports at their previous meeting on 23rd November, 2011.

2. DECISIONS REQUIRED

King George's Fields Charity Board is recommended to:

- 2.1 Note the explanations of the composition of the various figures in the annual accounts for King George's Field, Mile End, as set out in paragraph 3.3 of this report, and in Appendices 3 to 7.
- 2.2 Agree the annual report and accounts for the King George's Field, Mile End Charity (registered number 1077859) for the 2010/2011 financial year set out at Appendix 1.
- 2.3 Agree the annual report and accounts for the King George's Field Tredegar Square charity (registered number 1088999) for the 2010/2011 financial year set out at Appendix 2.
- 2.4 Authorise the mayor to sign the annual reports and accounts for submission to the Charity Commission.

3. BODY OF REPORT

- 3.1 At their previous meeting on 23rd November, the members of the Board raised various questions about some of the figures that were included in the annual report for King George's Field, Mile End. They agreed that the annual reports and accounts be deferred pending further information.

3.2 The accounts relate to the King George's Field, Mile End charity (registered number 1077859) (which includes Stepney Green and Whitehorse Road Open Space) and King George's Field Tredegar Square charity (registered number 1088999). From the accounts attached in the appendices, the Board will see that King George's Field Mile End produced a balanced position, and that King George's Field Tredegar Square achieved a balanced position. However, the Board will note that the General Fund contribution to King George's Field, Mile End fell from £427,696 in 2009/2010 to £365,840 in 2010/2011. This was principally due to the increase in Sponsorship & Donations, to £78,970, of which £50,000 related to the provision of the skateboard facility in Mile End Park. Other sources of income showed smaller variations.

3.3 The questions that the members of the Board raised were as follows, in respect of King George's Field, Mile End:

Other Income. The amounts shown in the report were £57,333 (2009/10) and £56,653 (2010/11). The composition of these amounts is shown in Appendix 3 to this report.

Other Services. The amounts shown in the report were £118,413 (2009/10) and £120,070 (2010/11). The composition of these amounts is shown in Appendix 4 to this report.

Cultural Services & Public Realm Revenue Contributions. The amounts shown in the report were £427,696 (2009/10) and £365,840 (2010/11). In both years there was a contribution of £250,000 from the Parks & Open Spaces revenue account towards the costs of Mile End Park. This left a balance of £177,696 (2009/10) and £115,840 (2010/11). As General Fund services, the net expenditure on Mile end Park, Belgrave Open Space, Whitehorse Road, Stepney Green, and the apportioned costs of the Community Ranger staff for the latter three open spaces is met from the General Fund. The composition of the amounts of £177,696 and £115,840 is shown in Appendix 5 to this report.

Other Rentals. The amounts shown in the report were £279,785 (2009/10) and £297,941 (2010/11). The composition of these amounts is shown in Appendix 6 to this report. The Board will note that the amounts are net of increases in the Provision for Bad Debts. In accordance with the Council's policy, all debts that are outstanding for more than six months at the time of the closure of the accounts, as at 31st March, are regarded as potentially bad debts, and provision is made for their non-payment. The Appendix also shows the 2011/12 projected income for each address, but Members should note that this is before any increase in the Provision for Bad Debts, which is dependent on the payments which are received before 31st March, 2012, and the debtors' invoices which are outstanding at that time.

Other Lettings. The amounts shown in the report were £30,835(2009/10), and £35,326 (2010/11). This income is raised by the Director Of Mile End Park, through the letting of facilities in the Park, principally the Arts Pavilion and the

Ecology Pavilion. Income is received from a wide variety of individuals and organisations, and by a variety of means (cash and cheques, credit/debit cards, and the issuing of invoices). While there are some regular lets, most are one-offs.

Incoming Resources. The amounts shown in the report were £846,882 (2009/10) and £923,205 (2010/11). These amounts are the totals of the income received in these two financial years. They are the totals of Railway Arch Rentals, Other Rentals, Other Lettings, Sponsorship & Donations, Multi-Pitch Income and the Cultural Services & Public Realm Revenue Contributions.

Repairs And Maintenance. The amounts shown in the report were £258,248 (2009/10) and £333,902 (2010/11). The composition of these amounts is shown in Appendix 7 with a breakdown of the amount spent in each Park or Open Space, over broad groups of expenditure.

Resources Expended. The amounts shown in the report were £873,848 (2009/10) and £923,205 (2010/11). These amounts are the totals of the expenditure incurred in these two financial years. They are the totals of Salaries, Employee-Related Expenditure, Repairs & Maintenance, Energy & Water, Other Services, Communications, Stock & Equipment, Fees & Insurance, and Advertising & Publicity.

3.4 The 2010/11 outturn position for King George's Field Mile End is a breakeven position. King George's Field Tredegar Square also recorded a breakeven position. To comply with the Charity Commission's requirements, the Board are asked to note and endorse these accounts, and agree their submission to the Charity Commission, in compliance with statutory requirements.

4. COMMENTS OF THE CHIEF FINANCIAL OFFICER

4.1 The comments of the Chief Financial Officer have been incorporated into this report.

5. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

5.1 The Council is the Trustee of the Mile End Charity pursuant to the Governing Document which is a scheme dated 28th February, 2000. The Council's constitution establishes the King George's Fields Charity Board to administer the Charity's affairs and discharge the Council's trustee functions.

5.2 The trustees have a duty to keep the accounting records and must prepare a statement of accounts in respect of each financial year. The attached statements of accounts comply with the requirements of the

Charities Act 1993 and the Statement of Recommended Practice-Accounting and Reporting by Charities, and the Charities (Accounts and Reports) Regulations 2008.

6. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

6.1 There are no direct sustainability implications in this report.

7. RISK MANAGEMENT IMPLICATIONS

7.1 Managing financial risk is of critical importance to the Directorate and maintaining financial health is essential to sustaining and improving service performance. Specific risks are project managed, recorded and progress is monitored through the directorate risk register process.

8. CRIME AND DISORDER REDUCTION IMPLICATIONS

8.1 There are no direct crime and disorder reduction implications in the report.

9. EFFICIENCY STATEMENT

9.1 Efficiency improvements inform the ethos of the Mile End Park Annual Management Plan and the running of the other parks and open spaces that form part of King George's Fields.

10. APPENDICES

Appendix 1 - Annual Report and Accounts, King George's Field Mile End charity

Appendix 2 - Annual Report and Accounts, King George's Field Tredegar Square charity

Appendix 3 - Other Income

Appendix 4 - Other Services Expenditure

Appendix 5 – Cultural Services & Public Realm Revenue Contributions

Appendix 6 – Other Rentals

Appendix 7 – Repairs And Maintenance

Appendices should not contain electronic watermarks. Excel documents and pictures (.jpg; .tif; .gif etc) should all be converted to .pdf format

**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.

To be completed by author

To be completed by author ext. xxx

Report authors should refer to the section of the report writing guide which relates to Background Papers when completing this section. Please note that any documents listed in this section may be disclosed for public inspection. Report authors must check with Legal Services before listing any document as 'background papers'.

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**KING GEORGE'S FIELD, MILE END
CHARITY NO 1077859****REPORT OF THE TRUSTEES
For The Year Ended 31 March 2011**

The trustees present their report and the financial statements for the year ended 31 March 2011. The financial statements are subject to audit, and are shown on pages 6 to 11 of this report.

The legal and financial information set out below forms part of this report. The financial statements comply with current statutory requirements, the constitution, and the Statement of Recommended Practice-Accounting and Reporting by Charities, as published by the Charities Commission in March, 2005, and the Charities (Accounts and Reports) Regulations 2008 (S.I. No 629, 2008).

EXPLANATORY NOTE

King George's Field Mile End is a registered charity. It is referred to throughout this report as the "Charity".

STRUCTURE, GOVERNANCE AND MANAGEMENT

The sole trustee of the Charity is the London Borough of Tower Hamlets, which delegates its responsibilities to a Committee called the King George's Field Trust Charity Board which directs the affairs of the Charity and acts as the Charity's trustees. The affairs of the Charity are directed by the Board of Trustees. The trustees meet formally annually or as and when strategic direction is required. For Mile End Park, the original master plan, directed by the Trustees, is in the final stages of implementation. There is a formal agenda for meetings which is agreed in advance between the Chair of the Trustees and the Chair of the Mile End Park Partnership Board that meets quarterly. The day to day running of Mile End Park is delegated to the Director of the Mile End Park. The Mile End Park Partnership comprises two other bodies and the local authority. That board meets quarterly, and examines the progress made in the park. For Mile End Park, an Annual Management Plan is produced, which is geared to the annual Green Flag competition, and looks at the park for the period January to December.

The original Trust Deed, and the subsequent variations, which are referred to below, also dealt with the use of other open space and park areas, within what is now the London Borough of Tower Hamlets. These other areas are managed by other Council employees.

Prior to October 2010, the members of the King George's Fields Trust Charity Board were also those Councillors who were, for the time being, the Cabinet members of the London Borough of Tower Hamlets. From October 2010 onwards, the members of the Charity Board were also those Councillors who were the members of the Mayoral Cabinet.

RISK ASSESSMENT

Mile End Park has its own Annual Service Plan that covers, amongst other matters, the major strategic, business and operational risks. The Service Plan covers the period April to March, and is used to inform the overall Communities, Localities & Culture Directorate plan and individual performance targets. In practice, there is an overlap between this and the Annual Management Plan, but the emphasis and content may vary. The Service Plan is peer-reviewed triannually, and was initially published on the Council's web-site during 2008/2009. In respect of the other park and open space areas, the Council has similar strategies to deal with business and operational risks. The Charity Board is satisfied that systems are in place to monitor and control all areas where there is an identifiable risk with financial, operational, or reputational implications.

OBJECTIVES AND ACTIVITY

The Charity's objectives are set out in the Trust Deed, dated 9th November, 1965, and a Deed of Variation dated 29th January, 1997. They are as follows:

To preserve in perpetuity the covenanted land and to apply the land to such charitable purposes as are set out in the Recreational Charities Act 1958, including the construction of indoor recreational facilities, subject to the approval of the National Playing Fields Association and the Charity Commission in respect of any additional purposes.

Generally, the Charity maintains the area of Mile End Park as a park and open space for the recreation of the general public, including but not limited to the inhabitants of the London Borough of Tower Hamlets. The other park and open space areas are managed to achieve similar objectives

In detail, the following activities were carried out in Mile End Park during the year ending 31 March 2011, which also include references to the plans for future periods.

THE DEVELOPMENT OF MILE END PARK

During the last year Mile End Park won its seventh consecutive Green Flag award, and, in addition, won a commendation for the introduction of a "no-smoking" policy in the Children's Play Park. The Park was also ranked tenth in the People's Park Award voted for by people across the country. Mile End Park also featured strongly in four dissertations in the last academic year looking at various aspects of social engagement between the community and the Park.

The Skateboard Park's two arches have now been converted into a covered area which will house a half pipe and skateboard outlet with a youth café offering an element of supervision and training, including the free loan of skateboards so that everyone can try out skateboarding. This is an inter-departmental partnership with Youth Services.

Many of the regular events held in the Park have now become part of the tradition of the area. Park Life, The Park After Dark and many other favourites show no sign of

losing popularity. In the last year, the Park held two sleepovers in the summer, where children living in high-rise flats had the opportunity to camp out in the park.

Volunteers from the Royal Bank of Scotland constructed a Dog Gym, or more accurately a dog agility course, so that dogs and their owners can get fit. Monthly dog training courses now take place.

The Walk A Mile In Mile End Park is the world's first electronic measured mile in a public park. This is a route through the Park where participants can use a swipe card to record their progress and build up their levels of exercise. It is hoped that this will be promoted through the NHS.

An important discovery in the Park was that of the Bombardier Beetle in the Park. This is one of Britain's rarest beetles. The Streaked Bombardier Beetle has been found at only one other site in Britain. It is so rarely seen in the UK that it was only recently confirmed as a native British species, and was predicted to become extinct just a few years ago.

The Art Pavilion has continued to raise its profile with a programme of exhibitions throughout the year. The standard has been consistently high and varied, combining local artists, emerging artists, student shows, and established artists including a one-off appearance by Gavin Turk.

Raising income is going to be a continuing priority in 2011, in order to continue to balance the budget. Developing the Ecology Pavilion into a successful wedding venue, with a new website to advertise the usage to potential customers was a significant change of direction in 2010/2011.

FINANCIAL RESULTS

The net incoming resources for the year totalled £923,205, (£846,882 in 2009/2010). This included a contribution from the London Borough of Tower Hamlets of £365,840 (£427,696 in 2009/2010).

The Charity continued to rely on a number of sources for its income, in addition to the financial contribution from the London Borough of Tower Hamlets. Within Mile End Park, these included Commercial Rents from properties located in the Green Bridge shops, and fees and charges from the letting of other facilities in the park, e.g. Connexions, Electric Go-Karts, and the hire of pavilions. The sources of income are shown in more detail in the attached financial report. There are no Restricted Funds or Endowment Funds, as defined within the Statement of Recommended Practice, 2005.

The Charity is grateful to all who provided it with funds to enable it to carry out its work within the London Borough of Tower Hamlets.

The largest items of expenditure continue to be the cost of staff salaries, and the work of maintaining the park areas and buildings within them. Staff salaries accounted for £348,464 in 2010/2011 (38% of total resources expended, compared with £335,907 in 2009/2010 or 38%). Repairs and maintenance accounted for £333,902 (36% of total resources expended, compared with £258,248 in 2009/2010, or 30%).

Full details of the Charity’s revenue income and expenditure are given in the accompanying financial statements. This includes the figures for income and expenditure in the format required for submission to the Charity Commission, and these are shown on Page 7 of the report.

INVESTMENT POLICY AND PERFORMANCE

The Charity has no investments.

RESERVES POLICY

Since the sole trustee is the London Borough of Tower Hamlets, which meets in full the Charity’s net expenditure, the Charity’s funding is secured. In previous years, the Trust Charity Board has therefore not needed to set up any financial reserves to protect against any unforeseen fluctuations in income or expenditure.

RESPONSIBILITIES OF THE TRUSTEES

The Trust Charity Board is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity as at the Balance Sheet date and of its incoming resources and application of resources, including income and expenditure for the year then ended.

In preparing those financial statements which give a true and fair view, the Board should follow best practice and

- (a) select suitable accounting policies and then apply them consistently
- (b) make judgments and estimates that are reasonable and prudent
- (c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue on that basis

The Board is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Charity, and to ensure that the financial statements comply with the relevant statutory requirements.

The Board is also responsible for safeguarding the assets of the Charity, and are hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CHARITY TRUST BOARD

Upto October, 2010, the board consisted of the following Councillors who were also members of the Cabinet:

Councillor Helal Abbas (Chair)	Leader of the Council
Councillor Joshua Peck (Vice-Chair)	Deputy Leader of the Council
Councillor Shahed Ali	Lead Member, Environment
Councillor David Edgar	Lead Member, Resources

Councillor Marc Francis	Lead Member, Housing, Heritage & Planning
Councillor Sirajul Islam	Lead Member, Regeneration & Employment
Councillor Denise Jones	Lead Member, Culture & Creative Industries
Councillor Shiria Khatun	Lead Member, Childrens Services
Councillor Rachael Saunders	Lead Member, Health & Wellbeing
Councillor Abdal Ullah	Lead Member, Community Safety

From October, 2010 onwards, the board consisted of the Mayoral Cabinet:

Mayor Lutfur Rahman	
Councillor Ohid Ahmed	Deputy Mayor
Councillor Alibor Choudhury	Cabinet Member for Resources
Councillor Rabina Khan	Cabinet Member for Housing
Councillor Rania Khan	Cabinet Member for Regeneration
Councillor Oliur Rahman	Cabinet Member for Children's Services

However, when they meet as the Board, their key decision-making must, as trustees, be in the best interests of the park and open space areas, within King George's Field.

AUDITORS

The accounts for 2010/2011 are subject to audit. The Charity's auditors will be the Council's External Auditors, which is the Audit Commission.

BANKERS

The Charity's bankers are the bankers for the London Borough of Tower Hamlets, which is the Co-operative Bank,

SOLICITORS.

The Charity's solicitors are the Legal Service of the London Borough of Tower Hamlets.

PRINCIPAL ADDRESS

The principal address of the Charity is the Council's address:
Tower Hamlets Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

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KING GEORGE'S FIELD, MILE END
CHARITY NO 1077859
STATEMENT OF FINANCIAL ACTIVITIES
(Including an Income & Expenditure Account)
For the year ended 31 March, 2011

APPENDIX 1

	UNRESTRICTED FUNDS	
	<u>2010/11</u>	<u>2009/10</u>
<u>INCOMING RESOURCES</u>	<u>£</u>	<u>£</u>
Railway Arch Rentals	77,860	76,626
Other Rentals	297,941	279,785
Other Lettings	35,326	30,835
Sponsorship & Donations	78,970	(40,820)
Multi-Pitch Income	10,614	15,428
Other Income	56,653	57,333
Cultural Services & Public Realm Revenue Contribution	365,840	427,696
Total Incoming Resources	<u>923,205</u>	<u>846,882</u>
<u>RESOURCES EXPENDED</u>		
Salaries	348,464	335,907
Employee Related Expenditure	4,166	7,786
Repairs & Maintenance	333,902	258,248
Energy and water	24,134	40,601
Other Services	120,070	118,413
Communications	2,639	2,146
Stock & Equipment	32,362	55,427
Fees & Insurance	57,467	46,943
Advertising & Publicity	-	8,377
Total Resources Expended	<u>923,205</u>	<u>873,848</u>
Net Incoming/(Outgoing) Resources	<u><u>-</u></u>	<u><u>(26,966)</u></u>
Net Movement in Funds	<u><u>-</u></u>	<u><u>(26,966)</u></u>
<u>RECONCILIATION OF FUNDS</u>		
Total Funds Brought Forward	-	26,966
Total Funds Carried Forward	-	-

**KING GEORGE'S FIELD, MILE END
CHARITY NO 1077859
STATEMENT OF FINANCIAL ACTIVITIES
(Including an Income & Expenditure Account)
For the year ended 31 March, 2011**

APPENDIX 1

	UNRESTRICTED FUNDS	TOTAL FUNDS	PRIOR YEAR TOTAL FUNDS
	<u>2010/11</u>	<u>2010/11</u>	<u>2009/10</u>
<u>INCOMING RESOURCES</u>	£	£	£
Incoming Resources From Generated Funds			
Voluntary Income	444,810	444,810	386,876
Activities Generating Funds	421,742	421,742	402,673
Other Income	56,653	56,653	57,333
Total Incoming Resources	<u>923,205</u>	<u>923,205</u>	<u>846,882</u>
 <u>RESOURCES EXPENDED</u>			
Charitable Activities	923,205	923,205	873,848
Total Resources Expended	<u>923,205</u>	<u>923,205</u>	<u>873,848</u>
 Net Incoming/(Outgoing) Resources	 <u>-</u>	 <u>-</u>	 <u>(26,966)</u>
 Net Movement in Funds	 <u>-</u>	 <u>-</u>	 <u>(26,966)</u>
 <u>RECONCILIATION OF FUNDS</u>			
Total Funds Brought Forward	-	-	26,966
Total Funds Carried Forward	-	-	-

**KING GEORGE'S FIELD, MILE END
CHARITY NO 1077859
BALANCE SHEET**

APPENDIX 1

As at 31 March, 2011

	UNRESTRICTED FUNDS			
	<u>2010/2011</u>		<u>2009/2010</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Current Assets				
Debtors & Payments In Advance		121,703		86,685
Creditors: amounts falling due within one year	12,114		7,096	
Receipts In Advance: falling due within one year	109,589	121,703	79,589	86,685
Net Current Assets		<u> -</u>		<u> -</u>
Funds		<u> -</u>		<u> -</u>

The figure for Debtors & Payments In Advance, of £121,703 represents:

(a) £4,539 due from an external organisation; and

(b) funding by the Council of the Creditors (£12,114) and Receipts In Advance (£109,589.), less the Debtors and Payments In Advance, referred to in paragraph (a).

All transactions pass through the Council's accounts.

**KING GEORGE'S FIELD, MILE END
CHARITY NO 1077859
CASH FLOW STATEMENT
For The Year Ended 31 March,2011**

APPENDIX

	UNRESTRICTED FUNDS	
	<u>2010/2011</u>	<u>2009/2010</u>
	<u>£</u>	<u>£</u>
Net Cash Flow From Operating Activities	<u>-</u>	<u>(26,966)</u>

Reconciliation of net incoming/(outgoing) resources to net cash flow

	<u>£</u>	<u>£</u>
Net Incoming/(Outgoing) resources for the year	-	-
(Increase)/Decrease in Debtors	(35,018)	36,216
Increase/(Decrease) in Creditors & Receipts in Advance	35,018	(9,250)
Net Cash Flow From Operating Activities	<u>-</u>	<u>(26,966)</u>

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**KING GEORGE'S FIELD, MILE END
CHARITY NO 1077859**

**Notes to the financial statements
For the year ended 31 March 2011**

1 Accounting Policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with appropriate accounting standards. They follow the recommendations in the Statement of Recommended Practice-Accounting and Reporting by Charities, issued in March, 2005 (the SORP), as amended in 2007.
- b) Income is recognised in full in the Statement of Financial Activities in the year in which it is receivable. Fees, charges and rents are accounted for as income at the date the Charity provides the relevant services.
- c) There are no restricted funds, within the definition contained in the 2005 SORP. Incoming resources are therefore used for any of the Charity's purposes.
- d) Resources expended are recognised in the period in which they are incurred. Resources expended exclude VAT which is recoverable by the London Borough of Tower Hamlets.
- e) Where income or expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.
- f) Employees working in the Mile End Park and at other parks and open spaces are Council employees. They are eligible to join the Local Government Pension Scheme administered by the London Borough of Tower Hamlets.

2 Staff Costs and Numbers

Staff costs were as follows:	2010/2011	2009/2010
Salaries	£292,987	£281,568
National Insurance	£24,777	£24,443
Pension Contributions	£30,700	£29, 896
Total	£348,464	£335,907

One employee received more than £70,000 during the year (2009/2010 one employees)

The average weekly number of employees during the year was as follows (full-time equivalents)

2010/2011	2009/2010
8.71	8.33

3 Taxation.

The Charity does not pay any tax on its activities, and statutory requirements relating to the payment of tax are not applicable.

4 Fixed Assets.

No fixed assets are shown in the Charity's accounts. Any capital expenditure on the construction and improvement of assets in Mile End Park or the other parks and open spaces is shown in the accounts of the London Borough of Tower Hamlets, together with the financing of those construction and improvement works.

5 Creditors.

Amounts Falling Due Within One Year:

	2010/2011	2009/2010
Trade Creditors	£12,114	£7,096
Receipts In Advance	£109,589	£79,589
Total	£121,703	£86,685

6 Debtors

	2010/2011	2009/2010
Rentals and Payments In Advance	£4,539	£7,117
Other	£117,164	£79,568
Total	£121,703	£86,685

In 2010/2011, Other Debtors represent the Council's funding of:

- (a) the creditors and receipts in advance, totalling £121,703 (less the £4,539 due for rentals and payments in advance), net £117,164.

**KING GEORGE'S FIELD, STEPNEY (TREDEGAR SQUARE,
BOW)
CHARITY NO 1088999**

**REPORT OF THE TRUSTEES
For The Year Ended 31 March 2011**

The trustees present their report and the financial statements for the year ended 31 March 2011. The financial statements are subject to audit, and are shown on pages 5 to 10 of this report.

The legal and financial information set out below forms part of this report. The financial statements comply with current statutory requirements, the constitution, and the Statement of Recommended Practice-Accounting and Reporting by Charities, as published by the Charities Commission in March, 2005, and the Charities (Accounts and Reports) Regulations 2008 (S.I. No 629, 2008).

EXPLANATORY NOTE

King George's Field, Stepney (Tredegar Square, Bow) is a registered charity. It is referred to throughout this report as the "Charity".

STRUCTURE, GOVERNANCE AND MANAGEMENT

The sole trustee of the Charity is the London Borough of Tower Hamlets, which delegates its responsibilities to a Committee of the Council called the King George's Fields Trust Charity Board which directs the affairs of the Charity and acts as the Charity's trustees. The affairs of the Charity are directed by the Board of Trustees. The trustees meet formally annually or as and when strategic direction is required. The Square is managed by Council employees of the London Borough of Tower Hamlets.

Prior to October 2010, the members of the King George's Fields Trust Charity Board were also those Councillors who were, for the time being, the Cabinet members of the London Borough of Tower Hamlets. From October 2010 onwards, the members of the Charity Board were also those Councillors who were the members of the Mayoral Cabinet.

RISK ASSESSMENT

The Council has strategies to deal with business and operational risks. The Charity Board is satisfied that systems are in place to monitor and control all areas where there is an identifiable risk with financial, operational, or reputational implications.

OBJECTIVES AND ACTIVITY

Tredegar Square Gardens is located in the Bow West Ward of the London Borough of Tower Hamlets. The gardens and surrounding area are a designated Conservation Area for planning and development purposes.

The object of the Charity is the maintenance of the gardens for the use and enjoyment of the public.

The gardens are approximately 0.5 hectares in area, and are formally laid out to grass, shrub beds, hedges and rose beds.

The gardens are maintained by the London Borough of Tower Hamlets. Horticultural maintenance is carried out regularly to an annual programme of works, and includes the pruning of shrubs, roses and hedges, weed control on beds and paths, grass cutting and maintenance of tree bases. Arboricultural work is carried out on an as required basis with the health and safety of the trees given a high priority. Bins and benches are provided for use by visitors and cleansing takes place frequently, normally daily.

The gardens are open during daylight hours. Park rangers and security staff patrol, lock and unlock the gardens throughout the year.

FINANCIAL RESULTS

The net incoming resources for the year totalled £12,443 (£9,835 in 2009/2010). This represented the revenue contribution from the London Borough of Tower Hamlets equal to the costs incurred. As a result of this contribution, the Charity made neither a surplus nor a deficit for the financial year.

Full details of the Charity's revenue income and expenditure are given in the accompanying financial statements. This includes the figures for income and expenditure in the format required for submission to the Charity Commission, and these are shown on Page 6 of the report.

INVESTMENT POLICY AND PERFORMANCE

The Charity has no investments, since there are no surplus funds.

RESERVES POLICY

Since the sole trustee is the London Borough of Tower Hamlets, which meets in full the Charity's net expenditure, the Charity's funding is secured. The Trust Charity Board therefore does not need to set up any financial reserves to protect against any unforeseen fluctuations in income or expenditure.

RESPONSIBILITIES OF THE TRUSTEES

The Trust Charity Board are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity as at the Balance Sheet date and of its incoming resources and application of resources, including income and expenditure for the year then ended.

In preparing those financial statements which give a true and fair view, the Board should follow best practice and

- (a) select suitable accounting policies and then apply them consistently
- (b) make judgments and estimates that are reasonable and prudent

(c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

(d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue on that basis

The Board is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Charity, and to ensure that the financial statements comply with the relevant statutory requirements.

The Board is also responsible for safeguarding the assets of the Charity, and are hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CHARITY TRUST BOARD

Upto October, 2010, the board consisted of the following Councillors who were also members of the Cabinet:

Councillor Helal Abbas (Chair)	Leader of the Council
Councillor Joshua Peck (Vice-Chair)	Deputy Leader of the Council
Councillor Shahed Ali	Lead Member, Environment
Councillor David Edgar	Lead Member, Resources
Councillor Marc Francis	Lead Member, Housing, Heritage & Planning
Councillor Sirajul Islam	Lead Member, Regeneration & Employment
Councillor Denise Jones	Lead Member, Culture & Creative Industries
Councillor Shiria Khatun	Lead Member, Childrens Services
Councillor Rachael Saunders	Lead Member, Health & Wellbeing
Councillor Abdal Ullah	Lead Member, Community Safety

From October, 2010 onwards, the board consisted of the Mayoral Cabinet:

Mayor Lutfur Rahman	
Councillor Ohid Ahmed	Deputy Mayor
Councillor Alibor Choudhury	Cabinet Member for Resources
Councillor Rabina Khan	Cabinet Member for Housing
Councillor Rania Khan	Cabinet Member for Regeneration
Councillor Oliur Rahman	Cabinet Member for Children's Services

However, when they meet as the Board, their key decision-making must, as trustees, be in the best interests of the park area, within King George's Field.

AUDITORS

The accounts for 2010/2011 are subject to audit. The Charity's auditors will be the Council's External Auditors, which is the Audit Commission.

BANKERS.

The Charity's bankers are the bankers for the London Borough of Tower Hamlets, which is the Co-operative Bank.

SOLICITORS

The Charity's solicitors are the Legal Service of the London Borough of Tower Hamlets.

PRINCIPAL ADDRESS

The principal address of the Charity is the Council's address:
Tower Hamlets Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2 BG

**KING GEORGE'S FIELD, STEPNEY (TREDEGAR SQUARE BOW)
 CHARITY NO 1088999
 STATEMENT OF FINANCIAL ACTIVITIES
 (Including an Income & Expenditure Account)
 For the year ended 31 March, 2011**

	See Note	UNRESTRICTED FUNDS	
		<u>2010/11</u>	<u>2009/10</u>
		£	£
<u>INCOMING RESOURCES</u>			
Public Realm Revenue Contribution		12,443	9,835
Total Incoming Resources		<u>12,443</u>	<u>9,835</u>
 <u>RESOURCES EXPENDED</u>			
Salaries	1, 2	1,728	1,850
Repairs & Maintenance		10,715	7,985
Other Services		-	-
Total Resources Expended		<u>12,443</u>	<u>9,835</u>
Net Incoming/Outgoing Resources		<u>-</u>	<u>-</u>
Net Movement in Funds		<u>-</u>	<u>-</u>
 <u>RECONCILIATION OF FUNDS</u>			
Total Funds Brought Forward		-	-
Total Funds Carried Forward		-	-

**KING GEORGE'S FIELD, STEPNEY
 TREDEGAR SQUARE, BOW)
 CHARITY NO 1088999
 STATEMENT OF FINANCIAL ACTIVITIES
 (Including an Income & Expenditure Account)
 For the year ended 31 March, 2011**

APPENDIX 1

	UNRESTRICTED FUNDS	TOTAL FUNDS	PRIOR YEAR TOTAL FUNDS
	<u>2010/11</u>	<u>2010/11</u>	<u>2009/10</u>
<u>INCOMING RESOURCES</u>	£	£	£
Incoming Resources From Generated Funds			
Voluntary Income	12,443	12,443	9,835
Total Incoming Resources	12,443	12,443	9,835
<u>RESOURCES EXPENDED</u>			
Charitable Activities	12,443	12,443	9,835
Total Resources Expended	12,443	12,443	9,835
Net Incoming/(Outgoing) Resou	-	-	-
Net Movement in Funds	-	-	-
<u>RECONCILIATION OF FUNDS</u>			
Total Funds Brought Forward	-	-	-
Total Funds Carried Forward	-	-	-

**KING GEORGE'S FIELD, STEPNEY (TREDEGAR SQUARE BOW)
CHARITY NO 1088999
BALANCE SHEET**

As at 31 March, 2011

	See Note	UNRESTRICTED FUNDS	
		<u>2010/11</u>	<u>2009/10</u>
		<u>£</u>	<u>£</u>
Current Assets			
Debtors	1,6	-	509
Creditors: amounts falling due within one year	1,5	-	509
Net Current Assets		<u>-</u>	<u>-</u>

The figure for Debtors, of £509, represents funding by the Council of the Trade Creditors.

KING GEORGE'S FIELD, STEPNEY (TREDEGAR SQUARE BOW)
CHARITY NO 1088999
CASH FLOW STATEMENT
For The Year Ended 31 March,2011

	UNRESTRICTED FUNDS	
	<u>2010/11</u>	<u>2009/10</u>
	<u>£</u>	<u>£</u>
Net Cash Flow From Operating Activities	<u>-</u>	<u>-</u>
 <u>Reconciliation of net incoming resources to net cash flow</u>		
	<u>£</u>	<u>£</u>
Net Incoming/Outgoing resources for the year	-	-
(Increase)/Decrease in Debtors	-	(509)
Increase/(Decrease) in Creditors	-	509
Net Cash Flow From Operating Activities	<u><u>-</u></u>	<u><u>-</u></u>

**KING GEORGE'S FIELD, STEPNEY (TREDEGAR SQUARE, BOW)
CHARITY NO 1088999**

**Notes to the financial statements
For the year ended 31 March 2011**

1 Accounting Policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with appropriate accounting standards. They follow the recommendations in the Statement of Recommended Practice-Accounting and Reporting by Charities, issued in March, 2005 (the SORP).
- b) Income is recognised in full in the Statement of Financial Activities in the year in which it is receivable.
- c) There are no restricted funds, within the definition contained in the 2005 SORP. Incoming resources are therefore used for any of the Charity's purposes.
- d) Resources expended are recognised in the period in which they are incurred. Resources expended exclude VAT which is recoverable by the London Borough of Tower Hamlets.
- e) Where income or expenditure has been recognised but cash has not been received or paid, a debtor or creditor the relevant amount is recorded in the balance sheet.
- f) Employees working in Tredegar Square are Council employees. They are eligible to join the Local Government Pension Scheme administered by the London Borough of Tower Hamlets. The staff costs are the apportioned costs of several Council employees (including employer's National Insurance and pension fund contributions).

2 Staff Costs

Staff costs were as follows:	2010/2011	2009/2010
Total	£1,728	£1,850

These apportioned costs represent the small amounts of time spent by Council staff on duties connected with the maintenance and security of the park. No employee connected with this work received more that £60,000 in either 2010/2011 or 2009/2010.

3 Taxation.

The Charity does not pay any tax on its activities, since in any financial year, expenditure equals income, and statutory requirements relating to the payment of tax are not applicable.

4 Fixed Assets.

No fixed assets are shown in the Charity's accounts. Any capital expenditure on the construction and improvement of assets in Tredegar Square would be shown in the accounts of the London Borough of Tower Hamlets, together with the financing of those construction and improvement works.

5 Creditors.

Amounts Falling Due Within One Year:

	2010/2011	2009/2010
Trade Creditors	nil	£507
Receipts In Advance	nil	nil
Total	nil	£507

6 Debtors

	2010/2011	2009/2010
Commercial and other rentals	nil	nil
Other Debtors	nil	£507
Total	nil	£507

OTHER INCOME

Other Income. The amounts shown in the report were £57,333 (2009/10) and £56,653 (2010/11). The composition of these amounts was as follows:

	2010/11	2009/10
Big Lottery Funding	£51,219	£54,993
Insurance Recoveries	£ 3,978	
Miscellaneous Income	<u>£ 1,456</u>	<u>£ 2,340</u>
Total	<u>£56,653</u>	<u>£57,333</u>

NOTES: Big Lottery Funding was used to fund play-leader staff at Mile End Park. This funding has now finished, and the staff have either been redeployed or left the Council's service

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APPENDIX 4

OTHER SERVICES EXPENDITURE

Other Services. The amounts shown in the report were £118,413 (2009/10) and £120,070 (2010/11). The composition of these amounts was as follows:

	2010/11	2009/10
Rents (Railway Arches)	£69,314	£65,248
Non-Domestic Rates	£12,089	£11,366
Cleaning Materials	£ 2,886	£ 41
Refuse Collection/Disposal	£ 190	
Contract Cleaning	£18,928	£13,244
Skip/Palladin Hire	£ 320	£ 540
Staff Transport Costs	£ 43	£ 961
Parking Permits	£ 101	
Stationery	£ 294	£ 140
Printing	£ 428	£ 846
Photocopying	£ 19	
Subscriptions	£ 355	£ 1
Advertising/Publicity	£ 6,835	
Events & Exhibitions	£ 7,412	£24,894
Meeting Expenses	£ 500	£ 251
Miscellaneous Expenses	<u>£ 356</u>	<u>£ 881</u>
Total	<u>£120,070</u>	<u>£118,413</u>

NOTES:

The rental payments of £69,314 (2010/11) and £65,248(2009/10) are to Network Rail, in respect of the railway arch properties.

In 2009/2010, Advertising & Publicity was shown as a separate line in the Annual Report (£8,377). It is considered that, amalgamating it with Other Services, for 2010/11, simplifies the presentation.

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CULTURAL SERVICES & PUBLIC REALM REVENUE CONTRIBUTIONS

Revenue Contributions. After the £250,000 contribution in each year from the Parks & Open Spaces revenue account, the amounts of General Fund expenditure on each park and open space were as follows. The amounts were £177,696 (2009/10) and £115,840 (2010/11). The composition of these amounts was as follows:

	2010/11	2009/10
Mile End Park	£ 34, 384	£103,991
Belgrave Open Spaces	£ 9,041	£ 5,301
Whitehorse Road O/S	£ 6,192	£ 5,414
Stepney Green	£ 42,565	£ 38,019
Community Rangers		
& Related Expenditure	<u>£ 23,658</u>	<u>£24,971</u>
Total	<u>£115,840</u>	<u>£177,696</u>

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OTHER RENTALS

Other Rentals. The amounts were £279,785 (2009/10) and £297,941 (2010/11). The composition of these amounts, in respect of each location, is shown below. The table also shows the projected income for the 2011/2012 financial year, but this is before any Provision for Bad Debts, as outlined in paragraph 3.3 of the report:

	2010/11	2009/10	2011/12
Kiosk, Mile End Park	£ 1,200	£ 1,200	£ 1,200
383/7, Mile End Road	£ 85,000	£85,000	£ 85,000
389, Mile End Road	£ 28,302	£28,454	£ 28,454
391, Mile End Road	£ 55,000	£55,000	£ 61,460
552, Mile End Road	£ 27,671	£12,287	£ 80,000
558, Mile End Road	£ 38,468	£38,468	£ 18,470
554, Mile End Road	£ 39,133	£39,133	£ 39,133
556, Mile End Road	£ 31,762	£19,468	
Misc Insurance Recoveries		£ 3,540	
Connexions	£ 21,000	£21,000	£24,000
Circus, Mile End Park	£ 2,000		
Animal Warden Service	£ 11,900		£ 11,900
Net Increase In Bad Debt			
Provision	<u>(£ 43,495)</u>	<u>(£23,765)</u>	<u>TBC</u>
Total	<u>£297,941</u>	<u>£279,785</u>	<u>£349,617</u>

NOTES:

The backdated rent review for 391, Mile End Road, took effect from September, 2009, and the arrears will be collected from the tenant during 2011/12, and the arrears are included in the projected income.

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REPAIRS AND MAINTENANCE

Repairs and Maintenance. The amounts were £258,248 (2009/10) and £333,902 (2010/11). The composition of these amounts, in respect of each location, was as follows:

	2010/11	2009/10
Mile End Park	£265,809	£198,220
Belgrave Open Space	£ 9,041	£ 5,301
Whitehorse Road O/S	£ 6,192	£ 5,413
Stepney Green	<u>£ 52,860</u>	<u>£ 49,314</u>
Total	<u>£333,902</u>	<u>£258,248</u>

The expenditure at Belgrave Open Space and Whitehorse Road Open Space was on horticultural maintenance.

The expenditure at Stepney Green consisted of the following major elements:

Horticultural Maintenance	£ 46,733	£ 40,272
Responsive Maintenance	£ 6,127	£ 7,096
Fencing		<u>£ 1,946</u>
Total	<u>£ 52,860</u>	<u>£ 49,314</u>

The expenditure at Mile End Park consisted of the following major elements:

Horticultural Maintenance	£190,754	£102,133
Responsive Maintenance	£ 42,952	£ 66,744
Arboriculture	£ 2,424	£ 14,677
Notices & Signs	£ 17,669	£ 300
Fencing	£ 6,309	£ 3,560
Other Repairs	<u>£ 5,701</u>	<u>£ 10,806</u>
Total	<u>£265,809</u>	<u>£198,220</u>

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Agenda Item 5

Committee: King George's Fields Charity Board	Date: 15 February, 2012	Classification: Unrestricted	Report No:
Report of: Corporate Director, Communities, Localities & Culture Originating officer: Jill Bell, Head of Legal Services - Environment		Title: Potential Merger of King George's Fields Mile End Charity and King George's Fields Stepney Tredegar Square Charity Wards Affected: All Wards	

1. SUMMARY

This report provides details of the considerations that will need to be undertaken if the King George's Field Mile End and King George's Field Tredegar Square charities are to be merged

2. DECISIONS REQUIRED

King George's Fields Charity Board is recommended to:

- 2.1 Note the explanations of the considerations that need to be undertaken for the potential merger of the King George's Field Mile End and King George's Field Tredegar Square charities
- 2.2 Decide which of the three options outlined in paragraph 3.8 below it wishes to pursue
- 2.3 Instruct officers to approach the Charity Commission seeking their views and then to prepare a detailed report based on the issues outlined in this report
- 2.4 Authorise the mayor to sign the application form for submission to the Charity Commission.

3. BODY OF REPORT

- 3.1 At the previous meeting on 23rd November, the members of the Board asked for a report to be presented concerning the merger of the two charities.
- 3.2 There are two King George's Fields charities, both of which are registered with the Charity Commission:
 - (1) The King George's Field, Mile End charity, registered number 1077859 ("the Mile End charity"); and

- (2) the King George's Field – Stepney (Tredegar Square, Bow) charity, registered number 1088999 (“the Tredegar Square charity”).

The Council is the trustee of both charities pursuant to their governing documents

- 3.3 The King George's Fields Charity Board (“the Board”) is established by section 3.3.12 of the Council's Constitution, which gives the Board the following functions:

3.2.1 To administer the affairs of the King George's Fields Charity and discharge all duties of the Council as sole trustee of the Charity.

3.2.2 To administer the affairs and discharge the duties of trustee of such other charities controlled by the Council as the Cabinet might authorise by resolution.

It would therefore need a resolution of the Council to change these arrangements

- 3.4 It is assumed that the reference in the Constitution to the King George's Fields Charity is to the Mile End Charity. The resolution making the Board responsible for the Tredegar Square charity has not been located. It would be prudent to include in any future report such a resolution to regularise the position, should the Board decide to pursue the application to merge the two charities.
- 3.5 On 17th June 2009 a comprehensive report was presented to the Board regarding the history of the two Charities and their Governing Documents. For ease of reference this is attached at Appendix 1. This document sets out the powers of the trustees and the restrictions on those powers. These have a considerable impact on any potential merger.
- 3.6 Before entering into a merger, the Charity Commission recommend that trustees satisfy themselves that there will be adequate benefits to their users and beneficiaries, which could include:
- 3.6.1 cost benefits;
 - 3.6.2 improvements to the quality of service; or
 - 3.6.3 the ability to reach a more diverse group of beneficiaries, thus ensuring improved access to the services the charity provides;
 - 3.6.4 more effective use of resources, expertise, knowledge and information;
 - 3.6.5 the ability to direct resources to the areas most in need
 - 3.6.6 avoidance of duplication of effort, achievement of economies of scale and improved access to funding.
 - 3.6.7 Being able to redefine the charities lands. The current plan KGF2 does not reflect the present configuration of Mile End Park. However this will

need a decision from Cabinet to formally transfer the additional land to the merged charity

3.6.8 Another issue which could be regularised would be to add ecology as one of the merged charity's purposes as the work carried out in celebration of the Millennium with the establishment of the ecology park and pavilion has added to the role but has not been formally acknowledged in the documentation.

3.6.9. To seek the additional powers outlined in the 2009 report namely

3.6.9.1 to raise funds, provided that the trustees must not undertake any substantial permanent trading activity and comply with any relevant statutory regulations;

3.6.9.2 to borrow money and to charge the whole or any part of the property belonging to the Charity as security for repayment of the money borrowed, subject to compliance with sections 38 and 39 of the Charities Act 1993 (including the need to obtain proper advice before mortgaging the land);

3.6.9.3 to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;

3.6.9.4 to employ and remunerate such staff as are necessary for carrying out the work of the Charity; and

3.6.9.5 to do any other lawful thing that is necessary or desirable for the achievement of the objects.

3.7 Trustees should also assess the risks involved to ensure that these have been sufficiently addressed. These risks include:

3.7.1 If the two existing charities have the legal powers to merge. The Mile End Charity does not have the power to dissolve the charity and It is doubtful that the Tredegar Square Charity does have such powers so an approach would be needed to the Charity Commission regarding this as only they can grant such powers

3.7.2 The Mile End Charity 2000 Scheme made by the Charity Commission acknowledges a role for the organisation now known as Fields in Trust. This is dealt with in paragraphs 5.1 to 5.3 of the 2009 report at Appendix 1. They would need to be consulted about the proposals and their agreement sought

3.7.3 The railway arches are on lease from Network Rail. Their consent to the assignment to the new merged charity would be needed

3.7.4 The costs involved in the work necessary to achieve this merger. As well as the professional fees involved there will be the costs of the Charity Commission and Land Registry to take into account

3.8 The actual process of a merger between charities will depend on the legal structures involved and the powers contained in each of the charities' governing documents. The merger will usually take one of the following forms:

Option A - The two charities combine their assets and resources by transferring them all to a new charity established with purposes similar to those of the original charities. What can or can't be done will depend on either:

- what the governing documents of the charities concerned allow in terms of bringing the charities to an end, what must be done with their property and how the decision is to be made ('the dissolution clause') In practice neither Charity has such a power ; or
- where there is no 'dissolution clause' or similar, an analysis of what the purposes of the charities are and how their property may be used. Broadly speaking, the objects must be similar enough to ensure that those who currently benefit from the charities will continue to do so after the merger. It will also be important to check for any restrictions on how the property of the charity can be used as this will have an effect on how the merger is brought into play.

Option B - One of the charities could dissolve and transfer their assets to an existing recipient charity.

Option C - Two or more charities are grouped together, with one charity (or its trustees) becoming the trustee body of the other charity or charities involved. This is not strictly speaking a merger as there continue to be two or more separate charities In these cases trustees must be clear when they make decisions for a specific charity in the 'group' that they are acting in the interests of that charity rather than any other charity of which they also happen to be the trustees. This would be done under section 74D of the Charities Act 1993. The Charity Commission has in the past advised that it can make a "uniting direction", pursuant to which the charities will be linked for the purposes of registration and accounting. According to the Charity Commission, charities subject to a "uniting direction" remain legally distinct, and the trustees remain under a duty to ensure that funds for each charity are applied only for the separate purposes of those charities. This is in effect a regularisation of the current arrangement.

3.9 If the Board were minded to go ahead with the merger the following information would need to be provided to the Charity Commission

- The structure of each charity that is involved
- The purposes of each charity involved
- What powers each charity has available to achieve a merger
- Confirmation that any charity transferring assets has the powers it needs, for example a power of dissolution

- Whether the charity receiving assets have the powers it needs, for example if it can act as a trustee
- What property is to be transferred
- Whether any of the charity's property is held as permanent endowment or on other special trusts that might prevent it from being mixed together with the assets of any recipient charity

3.10 It is clear from the 2009 report that the Tregedar Square Charity has limited powers and the position of Fields in Trust as Trustees of "the Foundation" which provided the purchase moneys for most of the Mile End Charity land are complicating factors. This means that the Charity Commission will need to be involved in any merger and they will set the powers of the merged or new charity. There will also be costs involved in this work and the Board need to weigh up the benefits of a merger with these costs. The costs can be a legitimate expense of the charities but in real terms the Council will bear the costs as it subsidizes the running costs of the Charities

3.11 The Charity Commission have recommended Trustees consider the following issues when exploring a merger proposal:

- 3.11.1 whether the merger will be in the best interests of the charity's beneficiaries;
- 3.11.2 ensuring all legal issues have been addressed and that the process complies with the charity's governing document;
- 3.11.3 an assessment of the risks attached to the proposed merger, including any operational and reputational risks;
- 3.11.4 other factors that can impact on a merger including:
 - 3.11.4.1 the need for good communications, both internal and external;
 - 3.11.4.2 filling key roles eg chair, chief executive, and board members;
 - 3.11.4.3 the importance of deciding on an appropriate name, brand and identity for any new charity;
 - 3.11.4.4.1 engaging with and managing expectations of people and organisations that have an interest in the merger;
 - 3.11.4.5 the need to negotiate with existing funders at an early stage;
 - 3.11.4.6 any impact on the ability to fundraise;

- 3.11.4.6.1 dealing with agencies that may need to be approached eg HM Revenue and Customs if the new merger will affect the charity's tax or trading arrangements.
- 3.11.4.7 dealing with the Land Registry if land or property is being transferred from one organisation to another and the resulting fees and expenses
- 3.12 It is suggested that if the Board wish to pursue the merger a report is commissioned dealing with the following key issues:-:
 - 3.12.1.1 reasons for the merger;
 - 3.12.1.2 potential benefits; and
 - 3.12.1.3 potential obstacles.
 - 3.12.1.4 an initial feasibility study, cost-benefit analysis and risk assessment;
 - 3.12.1.5 legal , property and accountancy analysis by advisers;
 - 3.12.1.6 advice from or discussion with the Charity Commission if there are problems with powers or other legal issues are identified;
 - 3.12.1.7 a formal due diligence exercise (this can be carried out in-house or by the charities' respective auditors or other professional advisers).and

This report will then be presented to the Board seeking a formal decision by each Charity to proceed with merger. A copy of the Charity Commission checklist. is attached at Appendix 2

4. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 4.1 There are no specific financial issues to raise at this point but there will be substantial work to be done on the financial implications if the Board decide to go ahead with the proposed merger
- 4.2 Any costs arising from proceeding with one of the options identified in this report will be met from the Mile End Park budget. Neither Charity has its own financial resources and all costs fall to be met from the General Fund, to the extent that they are not met from income from external bodies and individuals, or from Council services. It is therefore important that the Council maintains adequate financial control."

5. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 5.1 The legal issues which will need to be addressed are contained in the body of the report but in summary they are:-
 - 5.1.1 examination of the two Charities documents to determine the available/required powers;
 - 5.1.2 property issues eg assignment of leases, transfer of title;
 - 5.1.3 contractual issues;

- 5.1.4 consideration of the rules for appointing trustees to the newly merged body;
- 5.1.5 the nature of the assets, eg permanent endowment and the rights of Fields in Trust
- 5.2 If the Board were minded to proceed with the merger following receipt of the report the next steps would be (providing the issues raised in this report could be resolved)
 - 5.2.1 a recommendation to the Cabinet that the merger application to the Charity Commission be pursued and the property transfers authorised
 - 5.2.2 then Cabinet recommending to Council the application to the Charity Commission and alteration to the Council's constitution

6. APPENDICES

Appendix 1 – Report to King Georges Trust Board 17th June 2009
 Appendix 2 – Advice Note from Charity Commission on Mergers

**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.
They are appended	N/A

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APPENDIX 1

Governance of the King George's Fields Trusts Report to the Board 17th June 2009

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Agenda Item 7.1

Committee: King George's Fields Charity Board	Date: 17 th June 2009	Classification: Unrestricted	Report No: (KGFCB/03/0 89)	Agenda Item:
Report of: Isabella Freeman, Assistant Chief Executive (Legal Services) Originating officer(s) David Galpin, Head of Legal Services - Community		Title: Governance of the King George's Fields Trusts Wards Affected: All		

1. SUMMARY

- 1.1 At the meeting on 7 January 2009, the Board considered information concerning the governing documents of the two charities.
- 1.2 The Board directed the following actions: (1) review of the governing documents for the charities; (2) presentation of a report to the April meeting of the Board addressing 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; (3) commencement of discussions with the Charities Commission with a view to amalgamating the Mile End and Tredegar Square charities; and (4) clarification of the position regarding Crossrail.
- 1.3 This report presents the results of the work undertaken since the meeting on 7 January 2009.

2. RECOMMENDATIONS

The Board is recommended to:-

- 2.1 Note the proposal in paragraph 3.3.
- 2.2 Agree that plans may be prepared as referred to in paragraphs 5.12, 5.13 and 6.13 of the report.
- 2.3 Note 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 further meeting of the Board.

- 2.4 Note the information provided in section 7 of the report concerning merger and executive arrangements and make such determinations, if any, as to the Board seem appropriate.
- 2.5 Note the proposal in the report to provide training on trustee duties at the next meeting of the Board.
- 2.6 Note the position regarding Crossrail detailed in the report.

3. BACKGROUND

- 3.1 There are two King George's Fields charities, both of which are registered with the Charity Commission: (1) The King George's Field, Mile End charity, registered number 1077859 ("**the Mile End charity**"); and (2) the King George's Field – Stepney (Tredegar Square, Bow) charity, registered number 1088999 ("**the Tredegar Square charity**"). The Council is the trustee of both charities pursuant to the governing documents detailed in this report.
- 3.2 The King George's Fields Charity Board ("**the Board**") is established by section 3.3.12 of the Council's Constitution, which gives the Board the following functions:
 - 3.2.1 To administer the affairs of the King George's Fields Charity and discharge all duties of the Council as sole trustee of the Charity.
 - 3.2.2 To administer the affairs and discharge the duties of trustee of such other charities controlled by the Council as the Cabinet might authorise by resolution.
- 3.3 It is assumed that the reference to the King George's Fields Charity is to the Mile End Charity. At present the resolution of Cabinet making the Board responsible for the Tredegar Square charity has not been located. It would be prudent to take a report to Cabinet to regularise the position, irrespective of the outcome of any progress toward merging the two charities.

4. THE KING GEORGE'S FIELDS FOUNDATION

- 4.1. The governing documents of both charities make reference to the King George's Fields Foundation ("**the Foundation**").
- 4.2. It is understood that references to the Foundation mean that established by a deed dated 3 November 1936 between the Lord Mayor of London and others ("**the 1936 Deed**"). The Foundation consisted of a fund of money established following an appeal to the nation for collection of a sum to perpetuate the memory of the late King George V. According to the 1936 Deed, the fund was to be held by the trustees and administered with the object of promoting and assisting in the establishment of Playing Fields to be called "King George's Field"

and distinguished by Heraldic Panels commemorative of King George V. The 1936 Deed defined "Playing Field" as "any open space used for the purpose of outdoor games, sports and pastimes".

- 4.3. The Foundation took the view that "the maximum results might best be achieved by distributing the funds by way of grants-in-aid towards the capital costs of as many fields as possible, the balance of the capital required for each scheme being raised by the local authority or other body undertaking the construction of the field and accepting responsibility for its maintenance as a 'King George's Field'" (Final Report of the Foundation, 1965). The Foundation entered into a working arrangement with the National Playing Fields Association for the latter to undertake the technical investigation of schemes and to process the applications for grants. Grants were made for King George's Field, Stepney, as detailed below (for the Mile End Charity).
- 4.4. On 1 December 1965, the Charity Commissioners for England and Wales ordered that a Scheme be approved and established for the King George's Fields Foundation ("**the 1965 Scheme**"). The objects of the Foundation were amended to place emphasis on preservation of the King George's Fields and now read as follows:

"to promote and to assist in the establishment and to promote the preservation throughout the United Kingdom of Playing Fields for the use and enjoyment of the people every such Playing Field to be styled "King George's Field" and to be distinguished by heraldic panels or other appropriate tablet medallion or inscription commemorative of His Late Majesty King George V and of a design approved by the Trustees".

- 4.5. Under the 1965 Scheme, the National Playing Fields Association (now known as Fields in Trust) became the trustees of the Foundation.

5. THE MILE END CHARITY

Background

- 5.1. By 1950, the Foundation had made a grant of £75,000 towards the capital cost of King George's Field, Stepney. This was said to be consistent with the Foundation's aim of providing a large playing field for the people of the East End of London. It is understood that the original grant was applied towards the cost of laying out the playing area and the provision of Memorial Gates. HRH the Duke of Edinburgh KG opened King George's Field, Stepney on 20 October 1952.
- 5.2. The Foundation subsequently made a further grant of £25,000 to the Greater London Council in respect of King George's Fields, Stepney. On 9 November 1965, the Greater London Council ("**GLC**") gave a declaration and undertaking

that land shown on a plan marked “KGF1” would be preserved in perpetuity as a memorial to King George V under the provision of the Foundation (“**the 1965 Undertaking**”). The identified land included land to be purchased by the GLC, presumably using the grant monies. The 1965 Undertaking provided for the erection of a main entrance to the fields at Burdett Road.

- 5.3. The Council was the statutory successor to the GLC under the London Government Act 1963 and the Local Government Act 1985. On 29 January 1997, the Council entered into a deed with the National Playing Fields Association (“**the 1997 Deed**”) to amend the land affected by the 1965 Undertaking to be “the land shown edged red on the plan No KGF2” which is attached to the 1997 Deed (“**the Park Lands**”). A copy of KGF2 with the areas marked red is attached to this report as **Appendix 1**. The plan KGF2 is not good quality and further reference is made to this below.
- 5.4. In about 1994, the Millennium Commission identified redevelopment of Mile End Park as a suitable project to mark the new millennium. In January 1998, building work began on the new Mile End Park, which ultimately saw construction of the Terrace Garden, the Green Bridge (completed July 1999), the Art Park, the Ecology Park, the Children’s Park and the Children’s Pavilion.
- 5.5. The report of the trustees of the charity for the 2007/2008 year states that the running of Mile End Park is delegated to the Director of Mile End Park. It is not clear that this is a correct statement of the legal position. The better view is that the Council as trustee has employed the Director to carry out the work of the charity. The revision of powers proposed in paragraphs 5.25 and 5.26 may assist to reinforce the legitimacy of this position, by making it clear that the Council as trustee may employ staff.

The governing document

- 5.6. On 28 February 2000, the Charity Commissioners for England and Wales ordered under the Charities Act 1993 that the charity known as King George’s Field, Mile End, at Stepney in the London borough of Tower Hamlets be administered according to a specified scheme (“**the 2000 Scheme**”). A copy of the 2000 Scheme is included as **Appendix 2** to this report. The 2000 Scheme expressly provides that it replaces the existing trusts of the charity.
- 5.7. Under the 2000 Scheme, the London Borough of Tower Hamlets (“**the Council**”) is the trustee of the charity. The Council is empowered to delegate its trustee function to a committee consisting of any two or more members, provided that the Council exercises reasonable supervision over the committee. The committee must “promptly” report their acts and proceedings to the Council.
- 5.8. The purpose of the charity is to preserve the Park Lands in perpetuity as a memorial to King George V under the provisions of the King George’s Fields

Foundation. As set out above, it is understood that the reference to the Foundation is a reference to the Foundation as governed by the 1965 Scheme. It is not entirely clear what it means to preserve a property in perpetuity “under those provisions”. However, it probably means that the property is to be maintained in perpetuity in accordance with the object set out in the 1965 Scheme, namely “to promote and to assist in the establishment and to promote the preservation throughout the United Kingdom of Playing Fields for the use and enjoyment of the people...”

Land subject to the Mile End charity

- 5.9. The Mile End charity in fact relates to two categories of land, which are described in Parts 1 and 2 of the Schedule to the 2000 Scheme.
- 5.10. The first category of land, referred to in Part 1 of the Schedule, consists of park lands identified in plan KGF2, referred to in the 1997 Deed (“**the Park Lands**”). The attached copy of plan KGF2 in Appendix 1 was obtained from the Charity Commission. It is low in quality and difficult to follow, but so far as it can be read, the Park Lands covered by KGF2 are as follows –
- Stepney Green Park and nearby lands, namely Belgrave Road open space and White Horse Road Park.
 - Stepping Stones Farm.
 - Most of Mile End Park.
- 5.11. The Council’s Parks and Open Spaces department has expressed concerns as to whether KGF2 accurately captures the lands around Stepney Green Park that form part of the charity. The Director of Mile End Park has advised that, as regards Mile End Park, the plan KGF2 does not reflect the actual present configuration of the Park. For example, it does not include the lands, forming part of Mile End Park situated to the south of the rail line on the southern side of the stadium and adjacent football courts. The omitted land includes the go kart track and the skateboard arena. There may be other omitted lands, including stopped up roads. The status of the railway arches in Burdett Road should be clarified.
- 5.12. There would appear to be merit in having plans prepared that are easy to read and accurately reflect the areas presently the subject of the Mile End charity. It would assist if the plans could reflect, for consideration by the Board, any areas that officers identify could be included as part of the charities. The Council’s Asset Management department may be able to prepare the plans in consultation with the Parks and Open Spaces department and the Director of Mile End Park. There is proposal by the Parks and Open Spaces department for electronic presentation of lands the subject of the charity, for example by GIS viewer, that can also be explored.

- 5.13. The second category of land, referred to in Part 2 of the Schedule to the 2000 Scheme consists of “10 shop units situated beneath the ‘Green Bridge’ at Mile End in Stepney, in the London Borough of Tower Hamlets, on north and south sides of Mile End Road, just west of its junction with Burdett Road and Grove Road” (“**the Shop Units**”). The Shop Units are only described in words. There is no plan showing their location. The Council, as trustee of the Mile End charity, is given specific powers in relation to the Shop Units, which are referred to below.

Objects

- 5.14. As set out above, the principal purpose of the Mile End charity is to maintain the Park Lands in perpetuity as playing fields for the use and enjoyment of the public.
- 5.15. The 2000 Scheme makes it clear that the Council may also apply “the land” (assumed to be the Park Lands) to recreational purposes set out in the Recreational Charities Act 1958. The 1958 Act provides that it is charitable to provide, or assist in the provision of, facilities for recreation or other leisure-time occupation, provided that it is in the interests of social welfare and for the public benefit. In order to satisfy the requirement that the provision be in the interests of social welfare, the facilities must be provided with the object of improving the conditions of life for the persons for whom the facilities are primarily intended and either: (i) those persons have need of the facilities by reason of their youth, age, infirmity, disablement, poverty, or social and economic circumstances; or (ii) the facilities are to be available to the members or female members of the public at large.
- 5.16. In summary, the Council is to keep the Park Lands in perpetuity as a memorial to King George V and may use the land –
- 5.16.1. For playing fields named and sign-posted as “King George’s Fields”.
- 5.16.2. For facilities for recreation or other leisure-time occupation, provided that it is in the interests of social welfare and for the public benefit.
- 5.17. The Board may wish to receive further reports in due course concerning management activities in respect of the lands the subject of charity, taking into account the objects and powers outlined in this report.

Powers

- 5.18. The Council is given specific powers, as trustee of the King George’s Field, Mile End charity, which it may exercise to further the objects of the charity. In addition, the Council has powers as trustee provided under the legislation governing trusts, particularly the Trustee Act 1925 (“**TA 1925**”) and the Trustee Act 2000 (“**TA 2000**”).

- 5.19. **Disposal of land.** The 2000 Scheme makes provision for limited disposal of land. The Council may let part or parts of the Park Lands on leases not exceeding 10 years to provide recreational facilities to the public or to provide such services to the public ancillary to recreation as are mentioned in Article 7 of the Greater London Parks and Open Spaces Order 1967 on the terms mentioned in that article. The Council may let the Shop Units. In disposing of any land, the Council must comply with section 36 of the Charities Act 1993, which sets out a number of requirements relating to prior approval, advice, consultation and deliberation. The 2000 Scheme does not make provision for sale of any of the land.
- 5.20. **Investment.** It is understood there are presently no investments by the Council as trustee. However, the Council has a general power of investment which authorises the making of any investment that the Council could make if it were absolutely entitled to the assets of the trust (TA 2000, Part 2). The power of investment does not permit investments in land other than loans secured on land. In exercising the power of investment the Council must have regard to the following investment criteria: (a) the suitability to the trust of investments of the proposed kind and of the particular investment; and (b) the need for diversification of investments of the trust, in so far as is appropriate to the circumstances of the trust. The Council must obtain and consider proper advice about the way the power of investment should be exercised before exercising the power.
- 5.21. **Acquisition of land.** The Council has power to acquire freehold and leasehold land in the UK as an investment or for any other reason (TA 2000, Part 3).
- 5.22. **Appointment of agents, nominees and custodians.** The Scheme specifically makes provision for appointment of a manager for the land the subject of the trust or any part of that land. The Council has additional power under the TA 2000 to delegate the following functions to an agent: (a) carrying out a decision it has taken as trustee; (b) functions relating to the investment of assets subject to the trust; (c) some functions relating to the raising of funds; and (d) other functions prescribed by the Secretary of State. The Act governs the terms of appointment pursuant to the statutory power and the exercise of functions by the agent. The TA 2000 contains power to appoint nominees and custodians in relation to assets of the trust.
- 5.23. **Power to give receipts etc.** The TA 1925 provides the Council with powers as trustee to give a receipt in writing that may be relied upon by a person paying, transferring or delivering personal property. The TA 1925 also empowers the Council to compound liabilities, including by compromising or settling any debt or claim. The Council is also empowered by the TA 1925 to insure any property the subject of the trust. The TA 1925 contains other powers that are probably not relevant for present purposes.

- 5.24. **Amendment of the Scheme.** The 2000 Scheme expressly provides that the Council may amend the provisions of the scheme, with the exception of the following: (i) the power of amendment itself; (ii) the definitions; (iii) the restrictions on use of property (ie the objects of the trust); (iv) the (limited) power to dispose of land; the creation of a power to dissolve the charity; or (v) the power to spend permanent endowment of the charity. Whilst the Council may amend the name of the charity it must first obtain the written approval of the Charity Commission.
- 5.25. **Other powers.** There are additional powers not presently provided for in the 2000 Scheme that it may be beneficial for the council to have, for example –
- 5.25.1 to raise funds, provided that the trustees must not undertake any substantial permanent trading activity and comply with any relevant statutory regulations;
 - 5.25.2 to borrow money and to charge the whole or any part of the property belonging to the Charity as security for repayment of the money borrowed, subject to compliance with sections 38 and 39 of the Charities Act 1993 (including the need to obtain proper advice before mortgaging the land);
 - 5.25.3 to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
 - 5.25.4 to employ and remunerate such staff as are necessary for carrying out the work of the Charity; and
 - 5.25.5 to do any other lawful thing that is necessary or desirable for the achievement of the objects.
- 5.26. Some of these powers may have immediate utility, such as the power to employ staff for the charity, which may underpin present arrangements such as the employment of the Director of Mile End Park. Others of the powers may not have an obvious immediate application, but may in the future facilitate action by the Board. It may be possible to bring forward proposals to expand the powers of the Council as trustee by the power of the amendment contained in the 2000 Scheme or otherwise. This needs to be considered against the background of the merger proposal contemplated by the Board.

Operation of the charity and plans for the Park Lands

- 5.27. As set out above, the lands falling under the Mile End charity include most of Mile End park.
- 5.28. There is an annual management plan for Mile End Park that sets out a number of objectives for the Park. It is clear that the management plan has been and in the future will be influenced by a number of matters –
- 5.20.1 The themes in the Council's Community Plan.

- 5.20.2 The Mile End Park Ecology Strategy, Mile End Park Arts Strategy and Mile End Park Play Strategy.
- 5.20.3 The three Forums for Ecology, Arts and Play.
- 5.20.4 The Mile End Park Partnership, formed to oversee the construction work funded by the Millennium Commission.
- 5.29. The emergence of ecology as one of three key themes for management of Mile End Park is a matter to which the Board may wish to give some consideration. Mile End Park now contains an ecology park and an ecology pavilion. It is doubtful that anyone visiting the park would view these areas as anything other than facilities for recreation or other leisure-time occupation relevantly within the purposes for which the Park Lands may be used under the 2000 Scheme. However, care must be taken with this. One of the objectives referred to in the 2009-2010 Management Plan is a wind turbine. Whilst this may be justifiable by reference to the purposes for which land may be used under the 2000 Scheme, care must be taken to make the necessary links. Ecology per se is not one of the relevant purposes. It may be possible to add this as a relevant object of the charity and this is something that can be addressed in any further report dealing with amendment of the governing documents.
- 5.30. The Council has not published a management plan or strategy specifically for the other lands referred to in paragraph 5.10 above. The lands, or some of them, are referred to in the Council's Open Space Strategy for 2006 – 2016 which establishes minimum standards for the protection and provision of open space. The open space strategy makes clear that open space should be upgraded to cope with competing demands and to take account of: the need to use open spaces more effectively to address the borough's significant health inequalities and encourage healthier lifestyles including sport; the needs of a growing population of young people; the demands of the festival programme on open spaces; biodiversity and sustainability. With the exception then of Crossrail, which is dealt with below, there do not appear to be any specific plans for Stepney Green Park and nearby lands that would conflict with the objects and powers in the 2000 Scheme. Any specific plans developed for the lands would have to be progressed having regard to the 2000 Scheme and the views of the Board.

Issues with the governing document

- 5.31. As set out in paragraphs 5.11 and 5.12 above, there is merit in exploring whether the 2000 Scheme accurately describes the Park Lands the subject of the charity and whether better plans can be incorporated as part of the Scheme. In this regard, it should be noted that the power given to the Council to amend the Scheme does not include amendment of the description of the land the subject of the Scheme and this will need to be pursued with the Charity Commission.

- 5.32. As set out in paragraphs 5.25 and 5.26, there may be merit to amending the 2000 Scheme to include additional powers for the Council as trustee. It would be possible to include these powers using the Council's power of amendment under the Scheme, but whether the amendments should be carried out in this way should be considered having regard to the totality of any amendments sought, particularly in relation to merger (see below) and amendment of the description of the property the subject of the trust. A proposal can be brought forward to the next meeting of the Board.

6. THE TREDEGAR SQUARE CHARITY

- 6.1. The Square Garden at Tredegar Square is managed by the Council through its Communities, Localities and Culture directorate.

The governing documents

- 6.2. Unlike the Mile End charity, the Tredegar Square charity is not governed by a scheme, but by three deeds dating from 1929, 1930 and 1954. Copies of the deeds are contained in **Appendix 3**.

Land subject to the Tredegar Square charity

- 6.3. On 28 October 1929, Mr Evan Morgan entered into a deed with the Metropolitan Borough of Stepney ("**the 1929 Deed**") concerning the land referred to in Schedule 3 to an earlier deed between Sir George Walker, Mr Henry Lindsay and Mr Evan Morgan, said to comprise (inter alia) the enclosed garden of Tredegar Square in the borough of Stepney ("**the Square Garden**").
- 6.4. Tredegar Square is proximate to Mile End Park. It is located off Morgan Street between College Terrace and Tredegar Terrace, about two blocks from Mile End Park. A plan showing Tredegar Square is contained in **Appendix 4**.

Objects

- 6.5. The 1929 Deed provided that the Council would at its expense lay out the Square Garden for public use in accordance with drawing number 2612. The Square Garden was to be open to the public free of charge every day from sunrise to sunset or such longer hours as the Council may determine. The 1929 Deed placed obligations on the Council to keep the Square Garden enclosed and to maintain and improve the garden.
- 6.6. On 7 April 1930, Mr Evan Morgan and the Metropolitan Borough of Stepney agreed to amend the 1929 Deed by substituting a new design for the Square Garden set out in drawing number 2612A ("**the 1930 Deed**").

- 6.7. On 20 August 1954, the trustees of the late Mr Evan Morgan (Viscount Tredegar since 1934) entered into a deed with the Metropolitan Borough of Stepney (“**the 1954 Deed**”) to supplement the 1929 Deed as amended by the 1930 Deed. The 1954 Deed recorded that the Council wanted the Square Garden to form part of the national memorial to King George V under the provisions of King George’s Fields Foundation and that the layout of the Square Garden should be further amended. It was agreed in the 1954 Deed that the Square Garden should be laid out at the Council’s expense as an open space, garden and children’s playground for public use (and for no other purpose whatsoever) in accordance with the drawing number 7349 annexed to the 1954 Deed.
- 6.8. Unfortunately, it has not been possible to locate a copy of drawing number 7349. The Charity Commission does not hold a copy. This places the Board in a somewhat untenable position as it is left to administer the Tredegar Square Charity without one of the critical documents that identifies how it is to be administered.

Powers and functions

- 6.9. Little is provided in the governing documents by way of powers to the Council as trustee. The following additional controls apply under the 1929 Deed –
- 6.9.1 The Square Garden is to be open to the public from sunrise to sunset or during such longer hours as the Council may determine.
 - 6.9.2 Enjoyment of the Square Garden is to be free of charge.
 - 6.9.3 The Council is not to erect or permit the erection of any building on the Square Garden except shelters and conveniences for the public or for caretakers and toolhouses or other buildings incidental and conducive to the better enjoyment of the square garden by the public.
 - 6.9.4 The Council is to keep the Square Garden in repair.
 - 6.9.5 The Council is to employ sufficient custodians and caretakers to prevent nuisance and preserve order in the Square Garden. The Council must secure that the Square Garden is cleared at closing hours and do all things in its power to prevent any use of the garden that may be or become a nuisance or annoyance to the owners or occupiers of the houses fronting upon or in the immediate neighbourhood (“the Neighbours”).
 - 6.9.6 The Council may permit children’s games and sports in the Square Garden provided that they are conducted in a manner that does not cause disturbance, nuisance or annoyance to the Neighbours.
- 6.10. According to the 1954 Deed, the Square Garden is to be known as King George’s Field.
- 6.11. The Council will, as trustee, also have the powers under the TA 1925 and TA 2000 outlined above. There is no power, such as is contained in the 2000

Scheme, to amend the trust deeds. It is questionable whether any additional powers are strictly speaking required in respect of the charity, given that the Council is simply required to maintain the Square Garden in perpetuity and at its own expense for the public to enjoy. If, however, any amendment of the trust deeds is proposed, for example by amending the reference to drawing number 7349 to refer to a drawing that can be found, then it may be sensible at the same time to include some general powers such as are suggested above in relation to the Mile End charity.

Plans for Tredegar Square

- 6.12. As with Stepney Green Park and nearby lands, the Council has not published a management plan or strategy specifically for Tredegar Square. The Square is referred to in the Council's Open Space Strategy for 2006 – 2016 which establishes minimum standards for the protection and provision of open space, referred to in paragraph 5.30 above. Any specific plans developed for the lands would have to be progressed having regard to the 2000 Scheme and the views of the Board.

Issues with the governing documents

- 6.13. The most significant issue identified in relation to the trust deeds governing the Tredegar Square charity is the inability to locate the drawing setting out the plan in accordance with which the Council is required to maintain the Square Garden. The Council's Parks and Open Spaces department has also advised that it would be more appropriate to simply reference a location plan for the Square Garden, rather than specifying a rigid design to be followed. There would appear to be merit in having the Council's Asset Management department prepare an appropriate location plan. Consideration could then be given to whether the governing documents can be amended to reference the revised plan.
- 6.14. The Council's powers under the trust deeds are limited, as outlined above, and it may be beneficial if amendment to the trust deeds is contemplated to include additional powers.
- 6.15. Any revision of the governing documents will, however, need to be carefully considered, including by reference to the merger of the charities contemplated by the Board. It will by no means be straightforward to revise the governing documents, given that they do not contain any express powers of amendment.

7. ALTERNATIVES FOR GOVERNANCE OF THE CHARITIES

- 7.1 The Board determined on 7 January 2009 that the charities should be merged and authorised the Assistant Chief Executive (Legal Services) to approach the Charity Commission in this regard. An approach has been made to the Commission and discussions commenced.

- 7.2 There are a variety of means by which the governing documents of unincorporated charities can be amended.
- 7.3 The first consideration is whether the governing documents permit the amendment. In this case, the governing documents of the Tredegar Square charity do not contain any relevant powers to support a merger.
- 7.4 Secondly, it may be possible, using the power in section 74D of the Charities Act 1993 to have a simple administrative linkage of the two charities. The Charity Commission has advised that it can make a "uniting direction", pursuant to which the charities will be linked for the purposes of registration and accounting. According to the Charity Commission, charities subject to a "uniting direction" remain legally distinct, and the trustees remain under a duty to ensure that funds for each charity are applied only for the separate purposes of those charities. If the Board wishes to have a simple administrative linkage, then it will need to make a resolution to that effect.
- 7.5 If the Board wishes to make a more complete merger then this may be possible by reference to the powers of the Charity Commission to make orders and schemes. One of the recommendations of the report is that a proposal be brought forward to a further meeting of the Board concerning amendments canvassed in this report may be effected. It is proposed that this will also deal with merger. Discussions will continue with the Charity Commission in this regard.
- 7.6 As set out in paragraph 3.2 above, the Council currently deals with its trustee function in respect of the charities as part of the executive arrangements provided in the Council's Constitution. This is in accordance with the view that under the Local Government Act 2000 any function exercised by the Council that is not specified in the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as a non-executive or local choice function is an executive function. Further consideration is being given to this view, which does not necessarily sit comfortably with the fact that the Council's obligations as trustee are constrained by the governing documents of the charities and may be quite separate from its other functions. An oral report on progress may be provided at the Board meeting on 15 April 2009.

8. DUTIES OF THE TRUSTEES

- 8.1 The terms of the governing documents pursuant to which the Council as trustee and the Board as its delegate must operate are detailed in the report. It is proposed that a training session be conducted at the next meeting of the Board dealing with the general duties of trustees binding on Board members.

9. CROSS RAIL

Background

- 9.1 The route of Crossrail runs east to west through the borough with stations at Whitechapel and Isle of Dogs. Although running entirely in tunnel through the borough, surface shafts are necessary at various locations to provide access to the tunnels for both construction and emergency escape purposes. Although it now seems likely that Crossrail will reach agreement with the Fire Authority to reduce the number of shafts in the borough, the shaft at Stepney Green is still required. It will be the location of the junction of the two eastern branches where a major underground chamber will need to be constructed, and is also a site where the tunnelling machines may need to enter or leave the tunnels (however no tunnelling spoil will be removed at Stepney Green).
- 9.2 At the surface, the construction works site will result in the temporary loss of the Astroturf football pitch and the children's playground, as well as the temporary loss of one third of the site of Stepping Stones Farm. There will also be a permanent loss of approximately 1800m² of open space resulting from the need to provide permanent surface facilities for emergency access to the tunnels.
- 9.3 Following the publication of the Crossrail Bill proposals, the Council lodged a petition against a number of the detailed aspects of the Bill proposals which included the impact of the temporary and permanent loss of open space at Stepney Green. Following negotiations, Crossrail agreed to give legal undertakings to finance the temporary re-provision of the football pitch and changing rooms during the 5 year construction period, and its permanent restatement following the completion of the Crossrail works. Similar undertakings were given in respect to Stepping Stones Farm. These undertakings and assurances have been collated and published in a formal register the last version of which was published in August 2008.
- 9.4 However, following further consideration of the detailed design of the construction site, Crossrail were able to reduce the size of the worksite. This meant that rather than completely relocate the football pitch it was now possible to retain the pitch in its current position but reoriented by 90°; although the pitch would still be out of use for up to 6 months. Since this proposal minimised disturbance to the remainder of the open space it was agreed to pursue this option rather than the original relocation proposal. Formal undertakings were given to progress this option and these are now included in the Register.

Current Situation

- 9.5 Early in 2008, negotiations and discussion commenced on the detailed design of the replacement football pitch and associated facilities at Stepney Green and are still ongoing. Since some of the land on which the new pitch is located is outside

the area covered by the Crossrail Act, a formal planning application will eventually need to be submitted to the council in order to progress the proposals. Although the football pitch is remaining in the same general location, it will be noted that the football pitch will be a brand new facility built to modern standards and that the changing rooms will also be completely rebuilt. The current programme is for this application to be submitted in mid-July 2009.

- 9.6 Proposals to deal with the impact of the Crossrail works on Stepping Stones Farm are also being progressed and a consultant has been appointed who is working on both setting up a new management structure for the Farm and developing proposals for the re-provision of facilities lost as a result of the Crossrail construction works.
- 9.7 During the initial discussions with Crossrail, officers were made aware that all the land at Stepney Green and Stepping Stones Farm was subject to a charity for which the council was the sole trustee. Officers then met with a representative of the charity in May 2008 in order to gain a full understanding of the impact of the charitable status on the Crossrail proposals. Crossrail was also immediately advised of the charity's interest but it was clear from their response that whilst they were not aware of the existence of the charity, it was Crossrail's view that the Compulsory Purchase powers authorised by the Crossrail Act provide the necessary powers to purchase both the charitable interest as well the land itself. However, as made clear to Crossrail, financial compensation would be sought by the charity from Crossrail to compensate for both the temporary and permanent loss of covenanted open space.
- 9.8 In order to assist in negotiations with Crossrail, officers have appointed CB Richard Ellis to provide specialist valuation advice both in respect to the loss of the open space within the council's ownership and the "value" of the charity's interest. The consultant's advice has yet to be provided but will in due course provide the basis of future discussions with Crossrail on the land disposal issues.

Conclusions

- 9.9 In summary officers are taking a three pronged approach to negotiations with Crossrail in respect to the loss of open space at Stepney Green. This can be summarised as follows:-
- 9.1.1 Progress the planning application to ensure that all the existing open space facilities at Stepney Green and Stepping Stones Farm are re-provided to an acceptable standard.
- 9.1.2 Ensure that the council is compensated for both the temporary and permanent loss of open space as well as the loss of revenue arising from the loss of the football pitch.
- 9.1.3 Ensure that the Mile End charity is compensated for the loss of charitable land either financially or in kind.

- 9.10 In due course the planning application will be considered by the planning Committee and the compensation issues referred to both the Cabinet and the Board.
- 9.11 In respect of the foreshadowed loss of land, it is clear that there is no power in the 2000 Scheme for the Council as trustee to sell the park lands. Any compulsory purchase will need to be examined against the legislative schemes for Crossrail and the charities. Further advice can be given about this in due course. It may be possible for the Council to accept compensation for loss of land if that is inevitable, but this will need to be carefully considered, including by reference to the views of Fields in Trust as trustees of the Foundation.

10. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 10.1. This report is principally for noting and as such there are no specific financial implications with the exception of any costs arising from preparing plans as referred to in recommendation 2.2 which will be met from the Mile End Park Budget. When further reports are presented to the Charity Board detailing amendments to the Scheme of Governance and other issues referred to in this report, the Board will receive relevant advice as to the financial implications.

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

- 11.1. There are no additional comments to those set out in the report.

12. ONE TOWER HAMLETS CONSIDERATIONS

- 12.1. 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, 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.

13. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 13.1. As stated in paragraph 12.1, 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, which are described in this report. 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. This is consistent with the discussion in paragraph 5.29 above, where it is made clear that “ecology” is not an object in itself within the Mile End charity, but that ecology related goals may still be pursued provided it is connected with the express objects in the governing documents. In other words, 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 playing fields and a public garden in perpetuity.

14. RISK MANAGEMENT IMPLICATIONS

14.1. 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.

15. EFFICIENCY STATEMENT

15.1. This report is primarily concerned with governance arrangements for the Mile End and Tredegar Square charities. 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 they are readily identifiable according to clear and accurate plans as is recommended in the report; (b) if the merger of the two charities proceeds, then there would be a need to produce only one set of accounts rather than two; and (c) if there is amendment to the powers of the Council as trustee, then this may facilitate future action.

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 Plan No. KGF2

Appendix 2 The scheme pursuant to which the Charity Commissioners of England

and Wales ordered on 28 February 2000 that the charity known as King George's Field, Mile End should be administered

Appendix 3 The three deeds from 1929, 1930 and 1954 governing the charity known as King George's Field – Stepney (Tredegar Square, Bow)

Appendix 4 Plan showing Tredegar Square

Mergers Checklist Published by Charity Commissioners

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Checklist for mergers



20 questions trustees need to ask

The merger of charities means two or more separate charities coming together to form one organisation. In such cases, either a new charity is formed to carry on the work or take on the assets of the original charities or one charity assumes control of another.

Purpose of the checklist

This checklist is intended as a simple guide to the typical issues trustees need to think about when considering merging. They should ensure that the merger best meets the needs of the beneficiaries and makes the best use of their charitable resources. They must act prudently in the interests of their charity and in accordance with the governing document and the requirements of charity law and other legislation.

We have designed the checklist to be suitable for all charities to use. Not all questions will be relevant to every charity. This checklist should be looked at alongside the Charity Commission's publications:

- *Making mergers work: Helping you succeed*
- *Collaborative Working and Mergers: An introduction (CC34)*

We are happy to advise trustees about mergers where a charity has insufficient powers or its governing document specifically requires our consent. Please refer to the form 'Approaching the Charity Commission about mergers' which can be found on our website www.charitycommission.gov.uk

Considering merger

1. Is a merger in the best interests of our charity and its beneficiaries? Will it improve the quality of service we offer by, for example, delivering cost savings, increasing income or making best use of our resources?
2. Is our proposed partner charity/ies compatible in terms of its objects, strategic vision, culture, values, governance arrangements, organisational structures and funding base?
3. Have we approached our stakeholders and beneficiaries for their views? If not, how and when are we going to?
4. What will be the risks and benefits for our charity of a formal merger? Have we considered the wider impacts on our charity?
5. Are there any other forms of collaborative working we could explore that might achieve the same benefits?
6. Have we estimated the full cost of merging? This should include issues such as staff time, rebranding, professional fees, relocation and unanticipated costs.
7. Does our charity have members? If yes, does our governing document require the consent of the members in order to merge?

Considering merger

8. Are we carrying out a due diligence exercise, can we do it in-house or do we need professional advice?

Financial and legal considerations **L**

9. Do we have the relevant legal powers to achieve our plan or will we need help from the Charity Commission?
10. Have we decided on a legal structure for the merged charities?
11. Are we taking the appropriate professional advice and in what areas?
12. Are there any employment issues we need to consider? These could include issues such as TUPE (Transfer of Undertakings (Protection of Employment)) requirements, pensions liabilities and compliance with employment law.
13. Are there restrictions on our charity's sources of income? These could include special trusts, restricted funds or permanent endowments.

Planning and communicating

14. Have we identified an individual to manage the overall process?
15. Do we have a project plan with milestones in place to manage the process?
16. Have we established a project board, committee or group to oversee the project and to link into the respective trustee bodies?
17. What interim governance arrangements should we put in place during the merger process?
18. Have we conducted a stakeholder analysis and established a communications plan that covers all existing and new stakeholders and audiences? This should cover communicating the merger to existing funders and staff.
19. Have we identified the risks associated with merging, such as reputational or operational risks, and put systems in place to mitigate those risks?
20. Have we identified ways to monitor the success of the merger and how it will be evaluated?

L means there is a specific legal or regulatory requirement. Trustees and the charity must comply with these requirements.

This checklist forms part of the Big Board Talk series. For more information please see our website www.charitycommission.gov.uk

Agenda Item 6

Committee: King George's Fields Charity Board	Date: 15 February 2012	Classification: Unrestricted	Report No:
Report of: Corporate Director, Communities, Localities & Culture Originating Officer: Lisa Pottinger, Head of Sport and Physical Activity		Title: Exclusive Use of Mile End Stadium as a Games Time Training Venue by the United States Olympic Committee Wards Affected: All wards	

1. **SUMMARY**

- 1.1 This report provides details of the proposed use of Mile End Stadium as a Games Time Training Venue by the United States of America Olympic Committee (USOC).

2. **DECISIONS REQUIRED**

King George's Fields Charity Board is recommended to:

- 2.1 Confirm its support for the USOC to have exclusive use of Mile End Stadium as a Games Time Training Venue from the 16th July - 15th August 2012 and to authorise signing of the agreement.

3. **BODY OF REPORT**

- 3.1 Following negotiations with the United States Olympic Committee in 2011, a Memorandum of Understanding (MoU) was signed by the USOC, the Council and GLL which outlined the parameters for the exclusive use of Mile End Stadium during the 2012 Olympic Games. The MoU would then be subject to a formal agreement, which confirms the arrangements for use of the site.
- 3.2 Exclusive use of the stadium will have minimal impact on community use. Over the same two week period in 2011 approximately 1,000 visits were recorded at the Stadium. However, due to the anticipated travel difficulties associated with the Olympic Route Network and Ramadan falling within this period, a significant reduction in community use of the facility would be anticipated in July and August 2012.

3.3 In contrast to the minimal impact on community use, The American Track & Field Team training at Mile End Stadium provides a number of community benefits for the borough which include:

- Capital investment in the borough's sporting infrastructure
- Improvements to Mile End Stadium site security and
- A Community engagement programme

In addition to these benefits, there is also the reputational kudos associated with one of the borough's facilities being used by the world's best athletics team.

3.4 The Mile End Stadium Athletics track had been in situ for over 20 years and was coming to the end of its life. With no Council capital funds available to replace it, there was a significant risk that the track would not be recertified for community use by the UKA (United Kingdom Athletics) at its next assessment. The grant provided by The USOC in return for exclusive use between 16 July and 15th August enabled the track to be resurfaced in September 2011, at no cost to the Council. In addition, further capital investment by the USOC will also see the throwing circles and associated field areas upgraded over the next two months.

3.5 Hosting the American Team at Mile End Stadium presents a number of security related challenges, for which the USOC has assumed responsibility. Initial assessments have highlighted security improvements which should be made to the site and these improvements would benefit the facility in Legacy.

3.6 Mile End Park Stadium and Leisure Centre have higher levels of vandalism and anti-social behaviour than the borough's other leisure centres. The installation of additional CCTV cameras linked into the Command Centre at Mulberry Place will provide improved surveillance, ensure swifter tasking of enforcement personnel and reduce incidences of vandalism and anti-social behaviour.

3.7 The borough will also benefit from a community engagement programme with the USOC which provides opportunities to view warm up practice sessions with the US team, attend coaching clinics delivered by American Olympic coaching staff.

3.8 The Board is asked to note and confirm its support for USOC's exclusive use of the Mile End Stadium and agree for the legal agreement to be signed.

4. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 4.1 The report asks the board to note and confirm support for the USOC's exclusive use of the Mile End Stadium between the 16th July and 15th August. The USOC provided a grant that enabled the track to be resurfaced in September 2011 at no cost to the Council, the community will benefit further from additional capital investment and improvements to the site security along with the community engagement programme.

5. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 5.1 The Board has the power under the 2000 Scheme set up by the Charity Commission to let land provided it is for one of the purposes of the King Georges Field Trust for up to 10 years.
- 5.2 Lettings of the sports facilities at the Mile End Leisure Complex are not normally brought to the Board but due to the exclusive use arrangements for the Stadium and the enhanced security measures the Board's consent is sought to this letting. The proposed agreement for the exclusive use hire of the Stadium and the non exclusive use of parts of the Leisure Centre will bring improvements to the facilities which will then be available for community use. There are also "softer" benefits being negotiated under the agreement for example places for school children to watch practice sessions, clinics by USA National Team coaches and donation of sports memorabilia.

6. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 6.1 There are no direct sustainability implications in this report.

7. RISK MANAGEMENT IMPLICATIONS

- 7.1 Managing financial risk is of critical importance to the Directorate and maintaining financial health is essential to sustaining and improving service performance. Specific risks are project managed, recorded and progress is monitored through the directorate risk register process.

8. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 8.1 It is envisaged that improvements to site security, including the installation of CCTV cameras with active monitoring will significantly reduce anti-social behaviour and vandalism in the stadium and leisure centre.

9. EFFICIENCY STATEMENT

- 9.1 Efficiency improvements are incorporated into capital works conducted on the site.

10. APPENDICES

**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.*

Agenda Item 9

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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of the Local Government Act 1972.

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Agenda Item 10

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Agenda Item 11

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