

# KING GEORGE'S FIELD CHARITY BOARD

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**Tuesday, 28 July 2015 at 6.30 p.m.**  
**Or at the rising of Cabinet whichever is sooner**

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

**The meeting is open to the public to attend.**

**Members:**

Mayor John Biggs  
Councillor Sirajul Islam

Councillor Asma Begum  
Councillor Rachel Blake  
Councillor David Edgar  
Cllr Amy Whitelock Gibbs  
Councillor Shiria Khatun

Councillor Ayas Miah  
Councillor Joshua Peck  
Councillor Rachael Saunders

Mayor  
(Statutory Deputy Mayor and Cabinet Member  
for Housing Management & Performance)  
(Cabinet Member for Culture)  
(Cabinet Member for Strategic Development)  
(Cabinet Member for Resources)  
(Cabinet Member for Health & Adult Services)  
(Deputy Mayor and Cabinet Member for  
Community Safety)  
(Cabinet Member for Environment)  
(Cabinet Member for Work & Economic Growth)  
(Deputy Mayor and Cabinet Member for  
Education & Children's Services)

[The quorum for this body is 3 Members]

**Contact for further enquiries:**

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1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, E14 2BG  
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Web: <http://www.towerhamlets.gov.uk/committee>

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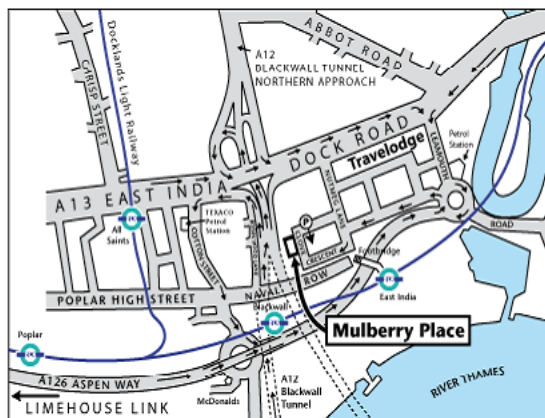
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## **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

### **1. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS (Pages 1 - 4)**

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 Monitoring Officer.

### **2. MINUTES OF THE PREVIOUS MEETING(S) (Pages 5 - 6)**

To confirm as a correct record the minutes of the meeting of the Board held on 18th March, 2015.

### **3. UNRESTRICTED REPORTS FOR CONSIDERATION**

#### **3.1 Grant of New Lease - 554 Mile End Road (Pages 7 - 10)**

### **4. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT**

### **5. 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.

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|-------------|--|-------------------------------|
| <b>6.</b>   | <b>MINUTES</b>   |                               |
| <b>7.</b>   | <b>EXEMPT/ CONFIDENTIAL REPORTS FOR<br/>CONSIDERATION</b>                              |                               |
| <b>8 .1</b> | <b>Grant of New Lease - 554 Mile End Road - Appendix 1</b>                             | <b>Bow West;<br/>Mile End</b> |
| <b>8 .2</b> | <b>Removal of gates near the Palm Tree pub in Mile End<br/>Park</b>                    | <b>Mile End</b>               |
| <b>9.</b>   | <b>ANY OTHER EXEMPT/ CONFIDENTIAL<br/>BUSINESS THAT THE CHAIR CONSIDERS<br/>URGENT</b> | <b>All Wards</b>              |

**Next Meeting of the Board.**

Wednesday, 21 October 2015 at 5.30 p.m. in the Room C1, 1st Floor, Town Hall,  
Mulberry Place, 5 Clove Crescent, London, E14 2BG

# Agenda Item 1

## **DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER**

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

### **Interests and Disclosable Pecuniary Interests (DPIs)**

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

### **Effect of a Disclosable Pecuniary Interest on participation at meetings**

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Monitoring Officer of the interest for inclusion in the Register.

**Further advice**

For further advice please contact:-

Meic Sullivan-Gould, Monitoring Officer, 020 7364 4801; or

John Williams, Service Head, Democratic Services, 020 7364 4204

## APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>

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**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE KING GEORGE'S FIELD CHARITY BOARD**

**HELD AT 5.15 P.M. ON WEDNESDAY, 18 MARCH 2015**

**ROOM C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE,**

**5 CLOVE CRESCENT, LONDON, E14 2BG**

**Members Present**

Councillor Alibor Choudhury	Cabinet Member for Resources
Councillor Shahed Ali	Cabinet Member for Clean and Green
Councillor Aminur Khan	Cabinet Member for Policy, Strategy and Performance
Councillor Gulam Robbani	Cabinet Member for Education and Children's Services

**Apologies**

Councillor Oliur Rahman	Deputy Mayor and Cabinet Member for Economic Development (Jobs, Skills and Enterprise)
Councillor Ohid Ahmed	Cabinet Member for Community Safety
Councillor Abdul Asad	Cabinet Member for Health and Adult Services
Councillor Shafiqul Haque	Cabinet Member for Culture
Councillor Rabina Khan	Cabinet Member for Housing and Development

**Officers Present**

Surjit Sandhu	Principal Lawyer, Department of Law Probity and Governance
Russell Shaw	Property Services
Mifta Ahmed	Strategy & Performance
Antoinette Duhaney	Committee Officer

**1. ELECTION OF CHAIR**

In the absence of the Chair and Vice-Chair, it was

**RESOLVED** – That Councillor Alibor Choudhury be appointed as Chair for the duration of the meeting.

**2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**

No declarations were made.

**3. UNRESTRICTED MINUTES**

**RESOLVED** – That the unrestricted minutes of the previous meeting of the King George's Field Charity Board held on 28 January 2015 be agreed and signed by the Chair as a correct record of the proceedings.

**4. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT**

There was no other urgent business.

**5. 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.

**SUMMARY OF EXEMPT BUSINESS**

**6. RESTRICTED MINUTES**


The Board agreed the restricted minutes of the previous meeting of the King George's Field Charity Board held on 28 January 2015

**7. 389 MILE END ROAD SETTLEMENT**

The Board considered a report seeking approval for the assignment of the lease in respect of 389 Mile End Road and agreed the officer recommendation.

The meeting ended at 6.11pm

Chair, the Executive Mayor  
King George's Field Charity Board

Non- executive Report of the:  <b>King George’s Fields Charity Board</b>  28 <sup>th</sup> July 2015	
<b>Report of:</b> Aman Dalvi, Corporate Director of Development & Renewal	<b>Classification:</b> Unrestricted
<b>Grant of New Lease - 554 Mile End Road</b>	

<b>Originating Officer</b>	Russell Shaw
<b>Wards affected</b>	Bow West, Mile End East

## Recommendations:

The Board is recommended to give its approval to grant a new lease to Development Regeneration Limited of 554 Mile End Road upon the following principal terms as set out in the Exempt Appendix.

### 1. REASONS FOR THE DECISIONS

- 1.1 To regularise the position of the company currently in occupation of the property, following the disclaiming of the lease by the Treasury Solicitor as a result of the liquidation of the original tenant company.
- 1.2 The proposal will be cost neutral for the Trust and crucially will maintain receipt of the market rent for the unit.
- 1.3 The proposed course of action will avoid the occurrence of a vacant unit with the consequential loss of rental income and also minimises expenditure on professional fees in respect of marketing of the property.

### 2. ALTERNATIVE OPTIONS

- 2.1 Do nothing

Following a disclaimer of the lease it is likely that a Tenancy at Will has been created but without terms setting out the rights and obligations of both the council as landlord and the tenant having been defined. This is not a satisfactory position for either party. A Tenancy at Will is properly adopted for short-term occupation and is not appropriate in the circumstances of this case. In this situation, where a restaurant business has been established with significant capital investment both parties rights and obligations should be set

out in a lease, thereby regularising matters. To do nothing, therefore, is a high risk option.

## 2.2 Take possession of the property

The council could attempt to terminate the existing occupation with a view to re-letting the property. However, the occupier would undoubtedly contest such action on the basis that they have been paying the full reviewed rent, albeit that the council was unaware that it was being paid by Development Regeneration Limited (as referred to at paragraph 3 of this report) and that accordingly they could claim a full protected tenancy under the Landlord and Tenant Act 1954. They would stand a reasonable chance of success in such a claim. Taking this action would therefore be considered to be a high risk option, with potential damage to the Council's reputation when weighed against what stands to be achieved by granting the proposed lease..

## 3. DETAILS OF REPORT

- 3.1 This commercial unit was leased by the council to Urban Developments Regeneration Limited under the terms of a tenancy dated 15th July 2002 for a term of 25 years from 7th July 2002.
- 3.2 The unit trades as "Zeera", an Indian restaurant and in February 2015 the council received a request from the tenant's solicitor, pursuant to tax advice obtained by their clients, to transfer 554 Mile End Road by way of an assignment from the current leaseholder to another company within the group of companies which is owned by the same beneficial owners.
- 3.3 As part of due diligence enquiries undertaken by officers in relation to the assignment request, it was discovered that the original tenant company, Urban Developments Limited was dissolved with effect from 2nd November 2011.
- 3.4 The dissolution of Urban Developments Regeneration Limited in 2011 took place without the knowledge of the council, it not being notified by the tenant.
- 3.5 The proposed tenant with a similar-sounding company name, i.e. Development Regeneration Limited began paying rent thereafter.
- 3.6 Given that the terms of the former lease are no longer in existence, fresh terms mirroring those of the original lease but subject to modernisation as appropriate, have been provisionally agreed as set out in the appendix to this report.
- 3.7 Under the former lease the rent payable has been fixed at the full market rent following the last rent review in 2012. The next review under the former lease would have been 2017 and it is proposed that the existing market rent is paid for the first 2 years of the new lease, reviewed at the second anniversary and every five years thereafter.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 The income from the commercial unit currently leased by Zeera, contributes towards KGFT Mile End delivering a balanced budget. Doing nothing, will put the delivery of the income at risk, whilst taking repossession of the property may result in a challenge, which would be unbudgeted and put at risk the delivery of a balanced budget. It is the Trusts responsibility to ensure that the rental income from Units contributes to sustaining the overall financial position of the park, and it is essential that the income is maximised and costs managed.

#### **5. LEGAL COMMENTS**

- 5.1 London Borough of Tower Hamlets holds the freehold title of this property as trustee and can therefore give good title. The proposed lease has been drafted to reflect the Heads of Terms between the parties. The Tenant's solicitor has provided an undertaking to pay the Council's costs and surveyors fees.
- 5.2 The Council as trustee is permitted under the Charity Commission Scheme dated 28<sup>th</sup> February 2000 to let the shops at Mile End Road which it holds on trust. The Council as trustee has a fiduciary duty to ensure that the property and finances held on trust are protected. For the reasons given in paragraphs 2.1 and 2.2 above the Council as trustee is advised that arrangements be made for a formal lease with the current occupier at a rental which reflects the market value.
- 5.3 The Council is acting as trustee and as such is bound by the Charities Act 2011 and the Charity Commission Scheme. The proposed lease does however amount to a disposal for which the Commissioners' prior written agreement is required. The Secretary of State for Communities and Local Government issued Directions dated 17 December 2014 pursuant to the powers under section 15(5) and (6) of the Local Government Act 1999 (the "Directions"). The Directions, at paragraph 4 (i) provide that the Council must "*take the actions set out in Annex A...*". Paragraph 5 of Annex A requires that the Council, until 31 March 2017 *obtain the prior written agreement of the Commissioners before entering into any commitment to dispose of, or otherwise transfer to third parties, any real property other than existing single dwellings for the purposes of residential occupation.*" Accordingly the proposed lease is a disposal under the Council's executive functions and will require the prior written agreement of the Commissioners.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 Deriving stable and significant income from the shop units is integral to the Trusts delivery of high quality open space for everyone.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 The recommendation in this report provides an effective solution for achieving the aim of regularising the tenancy situation whilst maintaining receipt of the market rent for the property and minimising the council's liability for any costs.
- 7.2 Equally, adopting the proposed course of action will assist in underpinning the Trust's financial stability and ensure that it can continue to deliver its remit within the context of reducing public sector support.

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 8.1 There are no sustainability issues arising in the context of the board's decision.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 The recommendation in this report aims to minimise risk by protecting the Trust's budget (paragraph 3.3). I don't think this is the right para reference?

## **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 10.1 There are no crime and disorder reductions issues arising in the context of the board's decision.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- .

#### **Appendices**

- Exempt/Confidential information as referred to in report

#### **Local Government Act, 1972 Section 100D (As amended)**

#### **List of "Background Papers" used in the preparation of this report**

- Mile End Shop Update reports to King George's Field Charity Board – 23.07.15. & 17.09.15

#### **Officer contact details for documents:**

- Russell Shaw, Asset Mangement, Extn 4276