

Committee: King Georges Fields Charity Board	Date: 14th January 2015	Classification: Unrestricted	Report No:	Agenda Item:
Report of: Corporate Director CLC Originating officer(s) Steve Murray Head of Arts Parks and Events		Title: Update on Mile End Park Wards Affected: Bow West Mile End East		

REASONS FOR URGENCY

This report was not available at the time of the agenda despatch due in part to leave commitments over the Christmas period. Nevertheless the report should be considered at this meeting because it has financial implications for the Trust and delaying the decision may result in disadvantage for the trust including loss of income.

1. SUMMARY

- 1.1 To provide an update on Mile End Park including proposals on introducing paid parking and criteria for free and subsidised usage of Pavilions by community organisations.

2. RECOMMENDATIONS

The King Georges Fields Trust is recommended to:-

- 2.1 To agree the proposed guidelines for free and subsidised usage of the Arts and Ecology Pavilions in Mile End Park by community organisations.
- 2.2 To agree to the development of the car park adjacent to the Green Bridge as a pay and display car park managed by the Council's own parking services in order to generate income for the Trust . Additionally to create parking bays within the park at Haverfield Road.
- 2.3 To note an update on the commercial units located at the Green Bridge and in particular; para 4.7 of this report and authorise officers to progress any of the current expressions received namely from Foxtons Estate Agents, Brioche Burgers Limited or Loaded E3 (Burger type restaurant) for an assignment of the lease of Units 554 (Zeeras).
- 2.4 To approve a request from MAK Ltd t/a Budgens, the leaseholders of units 383-387 Mile End Road who have made a formal request to assign their lease to Co-Operative Group Food Limited, and to authorise officers to proceed with the formalities to complete the assignment of the lease.

3. BACKGROUND

- 3.1 A key objective of the KGFT is to improve income generation from the assets in Mile End Park whilst maintaining high standards of the facilities there and good community engagement. This report is an update on aspects of asset management and community engagement.

4. BODY OF REPORT

- 1.1. The car park next to the green bridge is currently used for free and unmanaged parking. It is proposed that this becomes a pay parking area with marked out parking spaces and is managed by the Council's parking services. Any income generated over the cost of maintaining the car park will be reinvested in the upkeep of the parks land. It is proposed that charges be in line with other on street parking in this zone.
- 1.2. Additional to the car park there are areas of roadway within the park close to the Haverfield Road gateway where vehicles currently park for free and it is proposed that parking bays are created here and are also managed by the council's Parking Services. Appendix 2 provides sets out this parking proposal for both sites.
- 1.3. The attached paper Appendix 1, Guidelines for Community Access to Mile End Park Pavilions, outlines details of potential free and subsidised access. A consultation paper on community access to the park pavilion was distributed for feedback at a well attended Friends of Mile End Park meeting on 10th April 2014. This feedback has been incorporated into the Guidelines.
- 1.4. At the extraordinary KGFT Board meeting of the 17th September 2014 the Board instructed Asset Management to invite lease holders for Zeera's restaurant of unit 554 Mile End Road and formally Roasters of unit 389 Mile End Road to consider surrendering their leases. Asset management have confirmed that Zeera will only do so in consideration of a significant payment which is not viable to the Trust. Roaster have declined to surrender their lease.
- 1.5. It is believed that there is still interest from two burger firms and Foxtons Estate Agents in unit 554, the user clause in the lease sets out that the Board is under no obligation to take these forward.
- 1.6. Officers have progressed the transfer of the lease 389 to Treats Food ltd as per the instruction of the KGFT Board. This has effectively avoided a court action challenging the previous refusal to allow the lessee to assign the lease but leaseholders are asking for compensation for their legal costs. This is being dealt with by the council's legal services.

- 1.7. MAK Ltd t/a Budgens have a 25 Year lease that commenced 1st April 2001. They have formally requested to assign their lease to the Co-operative Group Food Limited. The Board may choose to refuse to accept the application to assign their lease however, the Board should note that consent must not be unreasonably withheld. In this instance it would be unreasonable to withhold consent as there is no change of use and the Co-operative Group is considered to be a good covenant. The Co-operative Food is UK's fifth biggest food retailer with over 2,800 stores across the UK, employing over 62,000 people. If the application request is unreasonably held this could incur legal costs to the Trust. It is recommended that the Board approves the request to assign the lease to the Co-operative Group Food Limited.

5. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 5.1 The report seeks the approval of King Georges Fields Trust to the proposed guidelines for free subsidised usage of the Arts and Ecology Pavilions by community organisations. The income generated contributes to offsetting the rising costs of the Park and to improve subsidy to community access and community access to arts activity whilst reducing the dependence on General Fund resources. The proposed guidelines will place a limit on the number of free or subsidised bookings which will ensure that there is no loss of income to the Park.
- 5.2 The report considers the potential opportunity at the car park next to the green bridge which is currently provides free unmanaged parking and Haverfield Road. It is proposed that these areas within the Mile End Park become a pay parking zone with marked out parking spaces and managed by the Council's parking service on behalf of the Trust. The parking charges will be in line with the Council's on street charges within that zone. The extent to which any additional income generated is realised and used as a subsidy will need to be considered alongside the Council's Medium Term Financial Plan as part of the budget process.
- 5.3 The report also provides an update to the proposals for the reassignment of leases on the commercial units. The reassignment of the leases will ensure that rental income will continue to be achieved from the units at 383 -387 and 554 Mile End Park. The rental income contributes to sustaining the overall financial position of the park and it is essential that all the units are fully occupied

6. CONCURRENT REPORT OF THE SERVICE HEAD –LEGAL SERVICES

- 6.1 On 28th February 2000 the Charity Commission approved a scheme for the management of the Trusts assets. The 2000 Scheme makes provision for limited disposal of land. Under Clause 5(1) (a) the Scheme restricts the use of the Trust 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 to raise moneys for the upkeep of the parkland.

- 6.2 As Trustees the Council are under a fiduciary duty to protect the assets of the charity for the public benefit and so need to obtain the best consideration from any leases. They are entitled to rely on professional advice in order to discharge their duties.
- 6.3 The lease for 554 Mile End Road dated 2002 made between LBTH(1) and Urban Developments Regeneration Ltd (2), contains a covenant on the part of the Tenant not to assign part or the whole of the premises without the prior written consent of the Landlord but such consent is not to be unreasonably withheld.
- 6.4 The permitted user in the lease is “Use within Class A3 of the Use Classes Order as an Indian Restaurant with/without an off-licence”, the tenant would require the landlords consent in the form of a deed of variation to vary the user. The landlord is not obliged to give such consent and could charge for any agreement to vary the lease.
- 6.5 Although the Landlord is not obliged to agree a change of user so could refuse without having to give any reasons. With regards to the consent to assign the lease the landlord has to act reasonably in refusing such consent. Here the trust could withhold consent in respect of the proposed assignment to one of the proposed companies referred to in the report of the lease on the grounds that the proposed assignee will not use the premises for the use permitted in the lease. The Board should take a commercial approach with regards to the request for the assignment and take into account the prospects of permitting an assignment to a tenant that will continue to provide the charity with a rental income that provides the best return for one its assets.
- 6.6 The lease for 383-387 Mile End Road dated 2002 made between LBTH(1) and Urban Developments Regeneration Ltd (2), contains a covenant on the part of the Tenant not to assign part or the whole of the premises without the prior written consent of the Landlord but such consent is not to be unreasonably withheld.

7. ONE TOWER HAMLETS CONSIDERATIONS

- 7.1 Mile End Park is an important community asset that is open to all.
- 7.2 The intention in reviewing our bookings policies for both the Park and its buildings is to better reflect the priorities of One Tower Hamlets and in particular how these assets can support and promote community cohesion.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 The management of Mile End Park is focussed on providing good quality green spaces in a sustainable way.

8.2 The commercial aspects of the park directly link to supporting the maintenance of this key green space.

9. RISK MANAGEMENT IMPLICATIONS

9.1 The proposals within this report are in part focussed on diversifying the income streams into the park that help to guarantee good quality maintenance for the future and mitigate against any fluctuations in the market for rentals and hires.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 Mile End Park forms part of the boroughs facilities that help to engage young people in healthy outdoor and indoor activity.

11. EFFICIENCY STATEMENT

11.1 We will continue to carry out bench marking against similar facilities in the area to ensure we remain competitive in the hire of our buildings and spaces.

12. APPENDICES

Appendix 1 – Guidelines for Community access to Mile End Park Pavilions
Appendix 2 – Background to proposal for managed car parking

Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

LIST OF “BACKGROUND PAPERS” USED IN THE PREPARATION OF THIS REPORT

Brief description of “Background Paper”

None