

King George's Field Charity Board

Agenda

**Wednesday, 22 November 2023 at 5.30 p.m.
Council Chamber - Town Hall, Whitechapel**

Members:

Mayor Lutfur Rahman

Councillor Maium Talukdar	(Deputy Mayor and Cabinet Member for Education, Youth and Lifelong Learning (Statutory Deputy Mayor))
Councillor Kabir Ahmed	(Cabinet Member for Regeneration, Inclusive Development and Housebuilding)
Councillor Saied Ahmed	(Cabinet Member for Resources and the Cost of Living)
Councillor Suluk Ahmed	(Cabinet Member for Equalities and Social Inclusion)
Councillor Gulam Kibria Choudhury	(Cabinet Member for Health, Wellbeing and Social Care)
Councillor Abu Chowdhury	(Cabinet Member for Safer Communities)
Councillor Iqbal Hossain	(Cabinet Member for Culture and Recreation)
Councillor Kabir Hussain	(Cabinet Member for Environment and the Climate Emergency)
Councillor Abdul Wahid	(Cabinet Member for Jobs, Skills and Growth)

[The quorum for this body is 3 voting Members]

Contact for further enquiries:

Jack Painter, Democratic Services Officer (Committee),

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<http://www.towerhamlets.gov.uk/committee>



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A Guide to King George's Field Charity Board

The Board is an Executive Body. The role of the Board is as follows:

To administer the affairs of the King George's Field, Mile End charity, and the King George's Field – Stepney (Tredgar Square, Bow) charity and discharge all duties of the Council as sole trustee of these Charities.

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.

The Board is made up of the Mayor and all Members of the Cabinet.

Public Engagement

Meetings of the Board are open to the public to attend, and a timetable for meeting dates and deadlines can be found on the council's website.

London Borough of Tower Hamlets

King George's Field Charity Board

Wednesday, 22 November 2023

5.30 p.m.

APOLOGIES FOR ABSENCE

1. DECLARATIONS OF INTERESTS (PAGES 7 - 8)

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.

Members are reminded to consider the categories of interest in the Code of Conduct for Members to determine whether they have an interest in any agenda item and any action they should take. For further details, please see the attached note from the Monitoring Officer.

Members are reminded to declare the nature of the interest and the agenda item it relates to. Please note that ultimately it's the Members' responsibility to declare any interests form and to update their register of interest form as required by the Code.

If in doubt as to the nature of your interest, you are advised to seek advice prior to the meeting by contacting the Monitoring Officer or Democratic Services

2. PUBLIC BENEFIT GUIDANCE (PAGES 9 - 10)

To note the Charity Commission's Public Benefit Guidance which explains the duties members have when acting for the King George's Field Trust.

3. MINUTES OF THE PREVIOUS MEETING (PAGES 11 - 14)

To confirm as a correct record the minutes of the meeting of the Board held on Wednesday 12 April 2023.

3.1 King George's Field Trust audited accounts 21/22, management recommendations and governance update, current financial position, activity update and allocation of Fields in Trust grant funding (Pages 15 - 44)

3.2 King George's Fields Trust – Commercial Property Recommendations and Updates (Pages 45 - 64)



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.

6. EXEMPT REPORTS FOR CONSIDERATION

Next Meeting of the King George's Field Charity Board

Wednesday, 31 January 2024 at 5.30 p.m. to be held in Council Chamber - Town Hall, Whitechapel



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Agenda Item 1

DECLARATIONS OF INTERESTS AT MEETINGS– NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Code of Conduct for Members at Part C, Section 31 of the Council's Constitution

(i) Disclosable Pecuniary Interests (DPI)

You have a DPI in any item of business on the agenda where it relates to the categories listed in **Appendix A** to this guidance. Please note that a DPI includes: (i) Your own relevant interests; (ii) Those of your spouse or civil partner; (iii) A person with whom the Member is living as husband/wife/civil partners. Other individuals, e.g. Children, siblings and flatmates do not need to be considered. Failure to disclose or register a DPI (within 28 days) is a criminal offence.

Members with a DPI, (unless granted a dispensation) must not seek to improperly influence the decision, must declare the nature of the interest and leave the meeting room (including the public gallery) during the consideration and decision on the item – unless exercising their right to address the Committee.

DPI Dispensations and Sensitive Interests. In certain circumstances, Members may make a request to the Monitoring Officer for a dispensation or for an interest to be treated as sensitive.

(ii) Non - DPI Interests that the Council has decided should be registered – (Non - DPIs)

You will have 'Non DPI Interest' in any item on the agenda, where it relates to (i) the offer of gifts or hospitality, (with an estimated value of at least £25) (ii) Council Appointments or nominations to bodies (iii) Membership of any body exercising a function of a public nature, a charitable purpose or aimed at influencing public opinion.

Members must declare the nature of the interest, but may stay in the meeting room and participate in the consideration of the matter and vote on it **unless:**

- A reasonable person would think that your interest is so significant that it would be likely to impair your judgement of the public interest. **If so, you must withdraw and take no part in the consideration or discussion of the matter.**

(iii) Declarations of Interests not included in the Register of Members' Interest.

Occasions may arise where a matter under consideration would, or would be likely to, **affect the wellbeing of you, your family, or close associate(s) more than it would anyone else living in the local area** but which is not required to be included in the Register of Members' Interests. In such matters, Members must consider the information set out in paragraph (ii) above regarding Non DPI - interests and apply the test, set out in this paragraph.

Guidance on Predetermination and Bias

Member's attention is drawn to the guidance on predetermination and bias, particularly the need to consider the merits of the case with an open mind, as set out in the Planning and Licensing Codes of Conduct, (Part C, Section 34 and 35 of the Constitution). For further advice on the possibility of bias or predetermination, you are advised to seek advice prior to the meeting.

Section 106 of the Local Government Finance Act, 1992 - Declarations which restrict Members in Council Tax arrears, for at least a two months from voting

In such circumstances the member may not vote on any reports and motions with respect to the matter.

Further Advice contact: Janet Fasan, Director of Legal and Monitoring Officer, Tel: 0207 364 4800.

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	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. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	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— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
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	Any tenancy where (to the Member's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (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.

Agenda Item 2

King George's Field Trust (KGFT) Charity Commission's Public Benefit Guidance

About public benefit

All charity trustees have a duty to 'have regard' to the commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

As a charity trustee, this means being able to show that:

- you are aware of the guidance
- you have taken it into account when making a decision to which the guidance is relevant
- if you have decided to depart from the guidance, you have a good reason for doing so

The public benefit requirement has two aspects:

To satisfy the 'benefit aspect'

To satisfy the benefit aspect:

- the charity's purpose must be beneficial – in an identifiable way and capable of being proved by evidence where necessary and which is not based on personal views
- any detriment or harm that results from the purpose (to people, property or the environment) must not outweigh the benefit - this is also based on evidence and not on personal views

The 'public aspect'

To satisfy the 'public aspect' the purpose must:

- benefit the public in general, or a sufficient section of the public
- not give rise to more than incidental personal benefit - personal benefit is 'incidental' where (having regard both to its nature and to its amount) it is a necessary result or by-product of carrying out the purpose

It is the trustees responsibility to ensure that the King George's Field Mile End Charity and King George's Field -Stepney (Tredegar Square, Bow) charity in a way that carries out its purposes for the public benefit. This means, you should

Make decisions :

- i) **to ensure your charity's purpose provides benefit** - understanding how the purpose is beneficial and carrying it out so as to benefit the public in that way.
- ii) **to manage risks of detriment or harm to your charity's beneficiaries or to the public in general that might result from carrying out the purpose** - identifying risks of harm, minimising the risks and making sure that any harm that might arise is a minor consequence of carrying out the purpose.

- iii) about who benefits in ways that are consistent with the purpose**
Knowing who can potentially benefit from the purpose and giving proper consideration to the full range of ways in which you could carry out your charity's purpose.

iv) Make decisions to make sure any personal benefits are no more than incidental

This means making sure that any personal benefits people receive (having regard both to its nature and to its amount) are no more than a necessary result or by-product of carrying out the purpose.

You must make decisions that are within the range of decisions that trustees could properly make in those particular circumstances. Provided that you do that, then you will have made a 'right' decision.

This means that, as a charity trustee, you generally have a choice about how to carry out your charity's purposes, provided that you exercise your discretion in a way which:

- is in accordance with your charity's purpose (so not operating outside of that purpose)
- is for the public benefit
- has regard to the commission's public benefit guidance where relevant
- is in accordance with the general framework for [trustee decision making](#)

Report on public benefit

The trustees' annual report must explain how you have carried out its purpose for the public benefit. A detailed report is only required if your charity's gross income exceeds £500,000; otherwise a brief summary is all that's needed.

You must also state whether you and the other trustees had due regard to the commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE KING GEORGE'S FIELD CHARITY BOARD

HELD AT 5:55PM ON WEDNESDAY, 12 APRIL 2023

COUNCIL CHAMBER - TOWN HALL, WHITECHAPEL

Members Present in Person:

Mayor Lutfur Rahman	
Councillor Maium Talukdar	(Deputy Mayor and Cabinet Member for Education, Youth and Lifelong Learning (Statutory Deputy Mayor))
Councillor Saied Ahmed	(Cabinet Member for Resources and the Cost of Living)
Councillor Suluk Ahmed	(Cabinet Member for Equalities and Social Inclusion)
Councillor Gulam Kibria Choudhury	(Cabinet Member for Health, Wellbeing and Social Care)
Councillor Abu Chowdhury	(Cabinet Member for Jobs, Skills and Growth)
Councillor Iqbal Hossain	(Cabinet Member for Culture and Recreation)
Councillor Kabir Hussain	(Cabinet Member for Environment and the Climate Emergency)

Apologies:

Councillor Kabir Ahmed	(Cabinet Member for Regeneration, Inclusive Development and Housebuilding)
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Officers Present in Person:

James Thomas	(Corporate Director, Children and Culture)
Richard Ward	(Head of Commercial & Contracts)
Catherine Boyd	(Head of Arts, Parks and Events)
Paul Sammut	(Parks Engagement and Projects officer)
Caroline Dzandu	(Senior Estates Surveyor)
Ahsan Khan	(Chief Accountant)
Jack Painter	(Democratic Services Officer)

Officers In Attendance Virtually:

Caroline Holland	(Interim Corporate Director, Resources)
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1. DECLARATIONS OF INTERESTS

None were declared.

2. MINUTES OF THE PREVIOUS MEETING(S)

That the unrestricted minutes of the Board meeting held on 26th October, 2022 be approved for signature by the Chair of the Trust as a correct record of proceedings.

3. UNRESTRICTED REPORTS FOR CONSIDERATION

3.1 King George's Field Trust End of Year Accounts and Annual Report Approval (Year End 31 March 2022)

The board received a report seeking approval of the audited accounts for 2021/22 and the annual report for 2021/22. Approval was needed in order for the accounts and report to be submitted to the Charity Commission, a legal duty for organisations with a turnover of more than £1million.

This report also provided an update on the current financial position for 2022/23.

The board of the trust considered the report and the Chair of the Trust then moved the recommendations and it was:-

RESOLVED to

- approved the audited accounts 2021/22 for submission to the Charity Commission.
- approved the annual report for 2021/22 for submission to the Charity Commission.
- approved the Letter of Representation from Arnold Hill & Co LLP.
- noted the Letter of Ownership Confirmation sign off required by the charity's auditors, Arnold Hill & Co LLP, from the Mayor of the London Borough of Tower Hamlets, before the accounts can be signed off by the charity's auditors.
- granted permission to appoint Arnold Hill & Co LLP to audit the accounts for 2022/23.
- noted the current financial position for 2022/23.
- noted the activities update for 2022/23.

3.2 Fees and Charges Review Report

The board received a report that provided an update of the review by the Council's Arts, Parks and Events of fees and charges for the hire of assets owned by King George's Field (Mile End) charity.

The board of the trust considered the report and the Chair of the Trust then moved the recommendations and it was:-

RESOLVED to

- approved the proposed hire charge increases for the Art and Ecology Pavilions from 1 April 2023 and authorised the Corporate Director of

Children and Culture and Director of Finance to implement the new charges.

- reviewed the “Subsidised Hire of Pavilions for Community Groups”, agreed by the Board on 6 March 2018, approved the updated policy and authorised the Corporate Director of Children and Culture to implement the revised policy from 1 April 2023.
- approved the proposed hire charge increase for the Stepney Green astro turf from 1 April 2023 and authorised the Corporate Director of Children and Culture and Director of Finance to implement the new charges.
- noted the Charity Commission’s Public Benefit Guidance.

3.3 Leases Update

The board received a report that provided an update on the lease arrangements for the King George’s Field Trust (KGFT) retail and rental units, income from which supports the Charity to maintain park land and amenities for the benefit of Tower Hamlets residents.

This report required a decision from the KGFT Board to authorise officers to undertake action against a Green Bridge unit that has arrears against utility charges, which is in breach of the lease.

The report also provided an update in respect of lease renewal discussions.

The board of the trust considered the report and the Chair of the Trust then moved the recommendations and it was:-

RESOLVED to

- Authorised the Corporate Director of Children and Culture and the Corporate Director for Place to take action against “Tenant A” to recover costs of unpaid utilities.
- Noted the ongoing discussions in respect of the lease renewal of “Tenant B”.
- Noted the ongoing discussions in respect of “Tenant C” and to authorise the Corporate Director of Children and Culture and the Corporate Director for Place to undertake and complete a review of “Tenant C’s” rent (subject to final consideration by the Board).

4. 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.


5. EXEMPT REPORTS FOR CONSIDERATION

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

None.

The meeting ended at 6:45pm

Chair, Mayor Lutfur Rahman
King George's Field Charity Board

King George’s Field Trust Board 22 November 2023	 TOWER HAMLETS
Report of: Raj Mistry, Corporate Director Communities	Classification: Unrestricted
King George’s Field Trust audited accounts 21/22, management recommendations and governance update, current financial position, activity update and allocation of Fields in Trust grant funding	

Lead Member	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation
Originating Officer(s)	Catherine Boyd, Head of Arts Parks and Events
Wards affected	All wards
Key Decision?	No
Reason for Key Decision	This report has been reviewed as not meeting the Key Decision criteria.
Forward Plan Notice Published	NA
Strategic Plan Priority / Outcome	All

Executive Summary

This report provides an update on the submission of the audited accounts and annual report for 2021/22 to the Charity Commission. The report includes management recommendations from the auditors in respect of the 2021/22 audited accounts for the Board’s noting.

An update on the 2022/23 accounts is provided as part of this report as well as an overview of the current financial position for 2023/24 and activities update. A governance update is also provided as part of this report.

In addition, this report seeks a decision from the Board on the allocation of grant funding from Fields in Trust.

Recommendations:

The Board is recommended to:

1. Note the update on the submission of the 2021/22 audited accounts and annual report to the Charity Commission.
2. Authorise an officer to be the nominated charity contact to access the Charity Commission’s “My Commission Account”.

3. Review the recommendations by the external auditors (Management Letter) with regards to the 2021/22 accounts. (Appendix 1)
4. Note the update on the end of year accounts 2022/23. (Appendix 2)
5. Review the current financial position for 2023/24. (Appendix 3)
6. Review the activities update for 2023/24. (Appendix 4)
7. Note the Governance update.
8. Review the options and take a decision on the allocation of Fields in Trust funding. (Appendix 5)

1 REASONS FOR THE DECISIONS

- 1.1 The King George's Field Trust (KGFT) board is required to submit audited accounts to the Charity Commission for England and Wales.
- 1.2 The Council is the trustee of the Charity, and the Council is the freehold owner of the land which is subject to this report.
- 1.3 'My Charity Commission Account' is a new way to sign into the Charity Commission's online services (since 31 July 2023). The King George's Fields Trust board is required to authorise access to a primary administrator. Without this access, officers are unable to access online services including the submission of annual accounts and reports.
- 1.4 The King Georges 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 Georges Fields Charity and discharge all the 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.*
- 1.5 The Board is required to take a decision on how the funds from Fields in Trust are utilised to further support the King George's Fields Trust charitable objectives.

2 ALTERNATIVE OPTIONS

- 2.1 There are no alternatives as KGFT is a registered charity and bound by the legislation for charities to submit independently audited accounts.

- 2.2 The alternative would not be to authorise access for an officer to have access to the My Charity Account, which would prevent accounts and other administrative tasks relating to the charities from being conducted.
- 2.3 The alternative would be not to take regular updates to the Board for consideration, however this would go against the expectations of the Charity Commission.
- 2.4 Decide not to use the grant funding from Fields in Trust. This would remove an opportunity to improve to use the funds for the maintenance, equipping and improvement of, or the provision of facilities for, any playing field situated in the London Borough of Tower Hamlets and styled “King George’s Fields”.

3 DETAILS OF THE REPORT

- 3.1 The accounts for 2021/22 have been independently audited by Arnold Hill & Co LLP in line with the requirements of the Charity Commission for organisations with a turnover of over £1million to publish audited accounts. The accounts are accompanied by an annual report, in keeping with the requirements of the Charity Commission for organisations with a turnover of over £1million.
- 3.2 For officers to be able to submit the annual accounts and report for 2021/22 to the Charity Commission, the board is required to authorise an officer to be the nominated charity contact and to have access to administer both charities, listed below, via the “My Charity Commission Account”:
- King George’s Field, Mile End Charity, registered number 1077859
 - King George’s Field – Stepney (Tredegar Square Bow), registered number 108899
- 3.3 In respect of paragraph 3.2, it is proposed that Catherine Boyd, Head of Arts, Parks and Events is authorised as the primary administrator.
- 3.4 The Charity Commission returns for King George’s Field Trust Mile End Charity and Stepney (Tredegar) are currently up to date.
- 3.5 The Management Report (**Appendix 1**) and audited accounts for 2021/22 relate to the King George’s Field, Mile End (charity registered number 1077859), which includes Mile End Park, Stepney Green and Whitehorse Road Open Space.
- 3.6 The preparation of the 2022/23 audited accounts and annual report must be finalised and submitted by 31 January 2024. As per the Board’s approval on 12 April 2023, external auditors Arnold Hill & Co LLP have been appointed to prepare these accounts. The Council’s finance team is currently closing down the 2022/23 accounts. Once concluded the auditors will start their audit of the accounts for 2022/23. **Appendix 2** gives an overview of the forecasted end of year accounts.

- 3.7 Income from the KGFT's venues and astro turf is shown in the table below. The variations to income are shown in the table below between what was in achieved 2021/22 against financial year 2022/23.

Source of income	2021/22 Income £	2022/23 Income £	Variance £	Comment
Commercial Retail units (Green Bridge retail units)	£497,951	£490,522	-£7,429	
Astro-turf pitch bookings and Arts and Ecology Pavilion Hires	£253,881	£389,679	£135,798	Increase to bookings post COVID-19.

- 3.8 King George's Field Tredegar Square charity (registered number 1088999) achieved a balanced position. There was £10,200 of expenditure for Repairs and Maintenance related to grounds maintenance.
- 3.9 **Appendix 2** provides an overview of the forecasted and current financial position for financial year 2023/24. The Charity's finances are on course to be balanced. It should be noted that the cost-of-living crisis and increasing costs for goods and services may impact income and expenditure.
- 3.10 The major items of income and expenditure are outlined within the account as follows:
- Income - the major income items are commercial rents generated from shop lettings at Mile End Park and the hire of the Arts and Ecology Pavilions. Additional income is generated through Stepney Green astroturf pitch bookings and a corporate volunteer programme.
 - Expenditure – the main expenditure items relate to:
 - (a) Salaries – this covers the cost of the Parks Service staff who manage the facilities and provide activities.
 - (b) Repairs and maintenance – including the cost of all repairs to buildings, trees and fences, and grounds maintenance costs.
- 3.11 Table 2 below provides an overview of the estimated current financial position (2023/24) in relation to income, against what was achieved in 2022/23.

Table 2:

Source of income	Actual Outturn position 2022/23 £	Forecasted income 2023/24 (as of August 2023) £	Comment
Commercial Retail units	£490,522	£490,000	Forecast based on rental fees that form part of the tenant lease agreement.
Astro-turf pitch bookings	£126,730	£128,000	Forecast based on usage patterns. Gross income from 1 April – 31 July was £46,503 and on target to reach £128,000 by end of March 2024.
Arts and Ecology Pavilions	£262,949	£292,000	Gross income from 1 April – 31 July 2023 is £143,436 and on target to reach £292,000 by end of March 2024.

- 3.12 **Appendix 5** provides an overview of the activities undertaken by the Charity from 1 April 2023 to 31 July 2023.
- 3.13 Stepney Green astro turf has had 1,133 bookings to date with 19,342 people using the facility between 1 April 2023 to 31 July 2023.
- 3.14 **Governance update:** as requested, an approach was made to the Charity Commission to explore if the funds from another trust could be utilised by the KGFT Board. This would have likely to have required a revision to “2000 Scheme”. The Charity Commission have not given approval for this to proceed. Therefore, the wider review of the “2000 Scheme” will continue without this addition.
- 3.15 At the 26 October 2022 KGFT Board meeting, the Board agreed to accept the funding from Fields in Trust to invest in improving facilities and increase use of the parks space by the public.
- 3.16 King George's Fields Stepney (charity number 1001827) (the “Charity”) is a charity that manages a fund (the “Fund”) which was established to make grants for the maintenance, equipping and improvement of, or the provision of facilities for, any playing field situated in the London Borough of Tower Hamlets and styled “King George’s Fields”, with a preference to be given to such playing fields situated in Stepney. Fields in Trust (charity number 306070) is the sole trustee of the King George’s Fields Stepney Charity (the “Trustee”).

- 3.17 Fields in Trust, as Trustee of the “Charity” referenced in 3.14, have been administering an endowment for a number of years on behalf of London Borough Tower Hamlets, which they are no longer able to continue to do. Fields in Trust have proposed and confirmed with the Charity Commission that the entire fund can be transferred as a grant to KGFT.
- 3.18 The transfer of the grant from Fields in Trust to KGFT will be accompanied by a grant agreement, outlining the purpose of the grant and the required evidence of completion.
- 3.19 Officers have provided a range of options for how the funding of an estimated £265,000 could be allocated. Should the Board approve one or a combination of the options proposed, final approval would be required from Fields in Trust. **Appendix 5** provides an overview of options and estimated costs.

4 EQUALITIES IMPLICATIONS

- 4.1 The King George’s Field Trust manages lands and facilities which are open to all. Where charges have to be made, such as artificial football pitches, charges are kept at affordable levels for the local community.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 There are no further statutory implications.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 As this report is primarily a financial report, all financial details are contained within the Audited Accounts and Annual Report (2021-22) and the Financial Forecast (2022-23) attached.

7 COMMENTS OF LEGAL SERVICES

- 7.1 As trustee, the Board must act in the Charity’s best interests and manage the Charity’s resources responsibly.
- 7.2 The framework for accounting by charities imposes on charities a legal duty to submit to the Commission annual reports, accounts and returns.

Linked Reports, Appendices and Background Documents

Linked Report

- None.

Appendices

- Appendix 1 – Management Letter
- Appendix 2 – End of year accounts 2022/23 forecasted outturn
- Appendix 3 – Financial forecast (2022-23)
- Appendix 4 – Activity update (2023-24)
- Appendix 5 – Fields in Trust allocation of grant options

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- [Tower Hamlets Council - Agenda for King George's Field Charity Board on Wednesday, 26th October, 2022, 7.00 p.m.](#)
- [Tower Hamlets Council - Agenda for King George's Field Charity Board on Wednesday, 12th April, 2023, 5.30 p.m.](#)

Officer contact details for documents:

Catherine Boyd, Head of Arts Parks and Events

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KING GEORGE'S FIELD, MILE END

REPORT TO MANAGEMENT

YEARS ENDED 31 MARCH 2022

**King George's Field, Mile End
Report to Management
Years Ended 31 March 2022**

During our audit of King George's Field, Mile End for the year ended 31 March 2022 we evaluated the charity's accounting systems and internal controls to ascertain how much reliance we could place on the information when forming our audit opinion.

From this evaluation of the systems and internal controls we present a report of the areas where we believe that improvements would be beneficial to yourselves. In addition, we also would like to take this opportunity to highlight potential areas of efficiency gains in regards to us, Arnold Hill & Co LLP, carrying out our year-end audit work.

We make these comments independently of our audit and they are confined to matters which we feel should be brought to your attention.

We would therefore be grateful if, after considering the contents of this letter, you would inform us of the action you intend to take in response to the points raised.

Issues Highlighted	Implications	Recommendations	Management Responses
<p>1. Fixed Assets</p> <ul style="list-style-type: none"> ▪ We note that the title deeds for many of the charity's fixed assets do not reflect the charity as legal owner. ▪ We noted invoices for fixed asset works which were not addressed to the charity. 	<ul style="list-style-type: none"> ▪ Where assets are not owned by the charity, income derived from these assets would be due to the legal owner. ▪ Where invoices are incorrectly addressed the transactions could be recognised in the incorrect entity. 	<ul style="list-style-type: none"> ▪ All title deeds for the relevant properties should be updated to show the charity legally owns them. ▪ Ensure that invoices for works on charity-owned assets are invoiced to the charity. 	<ul style="list-style-type: none"> ▪ Work on this matter is continuing with legal investigating historical records and documentation. ▪ Contact has been made with the Land Registry with regard to a simplified approach to reregistration as numerous titles are involved.
<p>Bank</p> <p>We note that the charity does not have its own bank account and that all transactions pass through the London Borough of Tower Hamlets' bank account.</p> <ul style="list-style-type: none"> ▪ As at 31 March 2022, the bank balance is in effect overdrawn. 	<ul style="list-style-type: none"> ▪ There is a concern that there is a lack of controls of what the charity's cash balance is which could lead to misstatement. ▪ The bank being overdrawn would effectively mean the council has loaned money to the charity. 	<ul style="list-style-type: none"> ▪ Ideally the charity should have a bank account separate to the Council's. ▪ As a minimum, a detailed record should be maintained of all transactions relating to the charity that pass through council's bank which can support the closing balance. 	<ul style="list-style-type: none"> ▪ The Council uses its financial and accounting process to keep the transactions separate from other budgets (cost centres). ▪ Although the setting up of a separate account is simple, disaggregating the Charity's processes from the Council's to ensure that they are linked to a new Charity specific bank will be time consuming and require resources. Officers will

			continue to scope out the best options under value for money.
<p>3. Trade Debtors and Deferred Income</p> <ul style="list-style-type: none"> We noted that deferred income had not been recognised for amounts invoiced or received in advance. 	<ul style="list-style-type: none"> Debtors and creditors would be understated without recognising these amounts. 	<ul style="list-style-type: none"> Managing agent statements should be reviewed to recognise amounts invoiced to, or received from, tenants but relating to future periods. 	<ul style="list-style-type: none"> The status of arrears is reviewed monthly by council officers with the external letting agents. Officers will continue to undertake this regular review to ensure any unrecoverable debt is written off. It should be noted that the Green Bridge retail units, as of August 2023, do not have any historic rental debt. During the reporting period of accounts up to 31 March 2022, the arrears were being reviewed in line with COVID-19 rent relief considerations.
<p>4. Leasing Agreements</p> <ul style="list-style-type: none"> We note that some of the lease agreements are between tenant and the 	<ul style="list-style-type: none"> Where the charity is not a party to the agreement, it may not be entitled to the income arising from the lease. 	<ul style="list-style-type: none"> We recommend that all lease agreements are reviewed and updated to correctly reflect the charity as the landlord. 	<ul style="list-style-type: none"> All new leases entered into either for lettings or renewals will be in the name of the Charity.

<p>Borough rather than the charity.</p>			
<p>5. Accounting Systems</p> <ul style="list-style-type: none"> ▪ The charity does not have its own accounting system separate to the council's and relies upon transactions being coded to the correct cost centre. 	<ul style="list-style-type: none"> ▪ There is a significant risk that not all transactions that relate to the charity are being captured. If transactions that relate to the charity are incorrectly coded to a different cost centre income and/or expenses would be understated. ▪ Similarly, if transactions that don't relate to the charity are incorrectly coded to the charity, income and/or expenses would be overstated. 	<ul style="list-style-type: none"> ▪ It is recommended that the charity maintains its own accounting system, separate from the council's. 	<ul style="list-style-type: none"> ▪ Integrating and maintaining a separate accounting system for the charity will require re-engineering of existing processes and procedures. ▪ This recommendation was previously considered at a Board meeting (with the previous administration) and it was determined that this option was not of cost benefit to the Charity and therefore this recommendation was not progressed any further at the time.
<p>6. Transaction Descriptions</p> <ul style="list-style-type: none"> ▪ During our audit we reviewed the nominal ledgers and often it was difficult to understand from the 	<ul style="list-style-type: none"> ▪ Unclear labelling of transactions could lead to mis-posting within the accounts. 	<ul style="list-style-type: none"> ▪ We recommend for all transactions to have a detailed description to include any date periods etc. that a transaction relates to. 	<ul style="list-style-type: none"> ▪ Officers will review all transactions to ensure any date, periods etc. are included in the descriptions of the

descriptions what the transactions related to.			transactions where necessary and required.
<p>7. Unadjusted Errors</p> <ul style="list-style-type: none"> During the course of our audit testing we recorded an error to the financial statements as presented [See Appendix 1]. <p>As this error was not material the accounts have not been adjusted to it.</p>	<ul style="list-style-type: none"> We would however like to make you aware of this unadjusted error for your own records as it is possible that similar types of errors might be material in subsequent years. 	<ul style="list-style-type: none"> We recommend that you review the unadjusted error as attached and consider the significance for the preparation of future statutory accounts. 	<ul style="list-style-type: none"> The unadjusted errors relate to trade debtors held on the Charity's balance sheet for a number of years. Officers intend to investigate these trade debtors in future year's accounts before any adjustments are put through.

Page 28

Appendix 1

Unadjusted error

Description	Dr	BS Cr	Dr	P&L Cr	Profit Effect
1 Trade debtors Trade creditors Being to gross up negative balance in the debtors listing	24,607	24,607			
	<u>24,607</u>	<u>24,607</u>			

.....
Signed on behalf of
London Borough of Tower Hamlets

Dated:

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Appendix 2

Financial Forecast

King George's Fields Trust 2022/2023

Table 1 below shows the current outturn position for King George's Fields Trust for the financial year ending 31 March 2023. Note this is a 'forecast' outturn as an exact position cannot be established until the accounts are completed, and all the processes are finished.

Table 1: Financial forecast 1 April 2022 to 31 March 2023

King George's Field, Mile End Forecast 22.23 outturn		
Spend/Income Category	Disclosure info	Total £
B2 - Expenditure on charitable activities	Audit Fee	7,000
	Cleaning and waste management	51,161
	Depreciation	25,165
	Employee Related Expenditure	3,565
	Event and Exhibitions	26,482
	Insurance	4,174
	Rates and Water Charges	2,777
	Rent	75,903
	Repairs and Maintenance	527,027
	Revenue - Stock and Equipment	33,528
	Salaries	416,247
	Services - Professional Fees	77,760
	Subscriptions	1,099
	Telephony	1,490
	Transport costs	23,762
	Uniforms	3,098
	Expenditure Total	1,280,238
A1 - Income from donations and legacies	Donations	-390,612
A2 - Income from charitable activities	Hire of premises - Astro turf pitches	-126,730
	Hire of Premises-Arts Pavilion	-124,504
	Hire of Premises-Ecology Pavilion	-138,445
	Licence Fees	-32,990
	A2 - Income from charitable activities Total	-422,669
A3 - Income from other trading activities	Car Park Income	-18,659
A4 - Investment Income	Green Bridge Shops	-490,521
	Income Total	-1,322,461
	Grand Total	-42,223

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Appendix 3

Financial Forecast

King George's Fields Trust 2023/2024

Table 1 below shows the current financial forecast for King George's Fields Trust for the financial year ending 31 March 2024. Note that the below figures are indicative only.

All figures are provisional and based on known and estimated income and expenditure. Utility cost spend has been increased to allow for increased costs for water, gas and electricity.

Table 1: Financial forecast 1 April 2023 to 31 March 2024

Spend/Income Category	Disclosure information	March 2024 Forecast
Income from donations and legacies	Donations	-398,500
Income from donations and legacies Total		-398,500
Income from charitable activities	Hire of premises - Astro turf pitches	-128,000
	Hire of Premises-Arts Pavilion	-140,000
	Hire of Premises-Ecology Pavilion	-152,000
Income from charitable activities Total		-420,000
Income from other trading activities	Car Park	-32,000
Income from other trading activities Total		-32,000
Investment Income	Green Bridge Shops	-490,000
Investment Income Total		-490,000
Expenditure on charitable activities		50,222
	Cleaning and waste management	
	Depreciation	25,165
	Employee Related Expenditure	3,100
	Event and Exhibitions	30,000
	Insurance	2,000
	Rates and Water Charges	65,675
	Rent	92,000
	Repairs and Maintenance	380,000
	Revenue - Stock and Equipment	56,760
	Salaries	429,425
	Services - Professional Fees	93,200
	Transport costs	22,823
	Uniforms	3,000
Expenditure on charitable activities Total		1,253,370
Grand Total		-87,130

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Appendix 4 Activity Update

King George's Fields Trust, 22 November 2023

1) Activities for Children, Young People and Families

The data and information provided in Table 1 is for activities held between 1 April 2023 and 31 September 2023 at Mile End Park, Whitehorse Adventure Playground, Stepney Green astroturf and the volunteer programme. A full report will be provided to the Charity Commission as part of the charity's annual returns.

Table 1: 1 April 2023 to 31 September 2023

Facility	Number of sessions	Number of Participants
Mile End Park	99	4,571
Whitehorse Adventure Playground	70	4,647
Mile End Corporate Volunteers	21	730
Total	190	9,948

In addition to the above, the Stepney Green astroturf has had the following sessions and people using the facility:

- Total sessions including ad-hoc and contractual block bookings was 1,440 between 1 April and 31 September 2023.
- Total participants including ad-hoc and contractual block bookings was 21,242 between 1 April and 31 September.

Activity overview 2023:

During the Easter school holiday and May half-term the following workshops and activities have been delivered by the Parks service and partner organisations:

- Nature walks, growing activities, pizza making and arts and crafts at Mile End Park and Play Pavilion.
- Guided play sessions at Whitehorse Adventure Playground.

As part of the Summer of Fun programme, free to access sessions were provided over five weeks at both Mile End Park and Play Pavilion and Whitehorse Adventure Playground. These sessions included a variety of free activities and workshops for families that included:

- Two Family fun days in partnership with the Children's and Family centres.
- Guided play sessions at Whitehorse Adventure Playground.
- Arts and Crafts, Gardening, Growing and Cooking sessions at Mile End Park and Play Pavilion.

2) Overview of Activities and Bookings at the Pavilions

Table 2 below provides an overview of the activities and bookings held at the Arts and Ecology Pavilions from 1 April 2023 to 30 September 2023.

	Art Pavilion (Number of days)	Eco Pavilion (Number of days)
Private Hire	27	31
Corporate	23	28
Exhibition (including set up)	44	
Works / Turnaround	35	14
Totals	129	73

Included in the above activities and bookings are:

Public access days	40	13
Subsidised hire	32	3

Total Occupancy (out of 182 days)	129 / 182	73 / 182
Percentage %	70.9%	40.1%
Total occupancy for both Pavilions %	55.5% (202/364)	
Total event days	202 / 182	

Overall bookings have started to recover from the impact of the pandemic, with a good level of private hires, we have seen an increase in corporate enquiries with a good rate of conversion of enquiries to booking.

Private Hire:

Family celebration events form most Private hires with a prominent level of these bookings being mehndi celebrations. Mehndi's are often booked within three months of the date and usually occupy Sundays and midweeks, are lower value half day bookings and are attracted by the 'smaller' capacity of the Pavilions at 260 and 220 respectively.

Higher value full day bookings tend to be for wedding receptions and legal ceremonies, usually taking place on a Saturday and are mostly booked over a year in advance. The capacity of the venues for this type of booking is seen as quite large.

We have seen a slight increase in midweek full day bookings, usually on a Thursday, booking over the peak summer months attracted by the lower rate available Monday to Thursday. We are starting to see a trend of increased Asian weddings as families opt for smaller celebrations, potentially due to the cost-of-living crisis.

Community and Cultural Hires:

The Pavilions receive a wide range of enquiries for events and activities from local organisations and groups and, through the subsidised hire policy, have supported free to access community and cultural activities with highlights including:

The Creativist - Peter Gibson: 1943-2021

Exhibition celebrating life of local artist and contributor to Tower Hamlets cultural and Arts scene Peter Gibson. An events programme including practical drawing, textile and embroidery sessions, and a special film screening & discussion accompanied the Exhibition.

Warped - Prism Textiles

International textile exhibition exploring themes of Warped views post covid. Featuring a large programme of free workshops. Images <https://www.prismtextiles.co.uk/2023-exhibition>

Tower Project JET service - Let's Work Event 4 May

In partnership with the London Borough of Tower Hamlets and the Princes Trust, Lets Work is a Job Expo specifically for young people aged 14-25 with SEND from the London Borough of Tower Hamlets. Free for all residents to enter and meet with positive employers.

BBC Earth Day: Max Richter Live

A Live Performance from Max Richter in the Ecology Pavilion, free to residents of Tower Hamlets, broadcast Nationally on Radio 3, BBC Sounds and Across Europe. Featuring the Chineke! Orchestra.

St Georges Day Tea Dance

Attended by 200 over 50's.

Urban Makers 24-25 June

Regular Makers Market in the Ecology Pavilion supporting 100 small businesses.

In the autumn we have cultural events including activities from the Council for Bengali Cultural Alliance UK (SSSPJ) and Brick Lane Circle.

Corporates:

There is a trend for corporates to move back to face-to-face meetings after a long period of Hybrid or virtual working. We have worked with several corporates to deliver a wide range of face-to-face planning and team away days to brand launches and panel

talks. Clients we have worked with Include Natural England, KPMG, UK Green Buildings and Dishoom.

We have also hosted several high-profile internal events including LBTH Civic Awards Ceremony and Children Services Cherry Blossom Staff Event.

Marketing:

The Pavilions are promoted through internal platforms including thvenues.com, Tower Hamlets website, Tower Hamlets Arts website, Our East End - What's on Section, The registrars' ceremonies Guide. Tower Hamlets SM platforms including Facebook, Twitter and Instagram.

We also market the venues through external venue finders Hitched and Canvas Events.

Total Event Days:

The total possible number of days available for hire in both Pavilions is 364*, which equates to a total occupation across both Pavilions of 55.5%. Working to a target occupancy rate of 80% show there is room for growth of 24%.

However, the total number of events taking place over the actual available days in a month show that we had 202 events taking place over 182 days. This equates to 1.10th of an event every day. This demonstrates the Pavilions are already operating to a very high level, stretching the current staffing resources. To achieve an 80% occupancy rate, increasing current activity by 25%, will require investment in additional staffing and marketing resources.

*This figure includes all days in a month including weekends and Bank Holidays. Private hire days of occupancy are from 9am-1am and this counts as 1 day.

3) Overview of Improvements and upgrades

Since April 2023, the Charity has welcomed 730 volunteers, with 21 sessions to support improvements to the park infrastructure and landscape including:

- Building 20 benches located in several areas of the park (Haverfield and Wellington Green, the Events field, and at the rear of the Arts Pavilion).
- Overhauling the raised beds in the growing zone including building additional raised planters.
- Removal of substantial light vegetation across Mile End Park to improve sight lines (nesting was not affected).
- Weeding pathways throughout Mile End Park.
- Removal of unwanted vegetation such as docks, cumfrey's and Brambles within Mile End Park, to make areas safe addressing issues relating to ASB, rough sleeping, drug taking and sexual activities.
- Preparation and decoration of the cascade water feature at Mile End terraced garden.
- Distribution of 40 tonnes of crushed concrete within the Haverfield Woodland Walk.

- Horticultural maintenance in conservation areas to support and encourage wildlife and biodiversity in the park.

Please note that we did not facilitate corporate volunteers during the summer school break, to focus on our summer activities programme.

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Appendix 5

Fields in Trust Grant Funding Options

The table below provides a range of options considered by officers and discussed in principle with Fields in Trust. Final allocation of the funds will be subject to contract and approval by Fields in Trust. The value of the grant will be in the region of £265,000, however this value is market index linked and subject to fluctuation.


The below projects would total approximately £347,500, therefore not all of the schemes proposed could be considered. All schemes will be subject to the approval of Fields In Trust and grant conditions will apply.

Proposed scheme	Location	Estimated cost	Benefits	Considerations
Match fund practice cricket nets	Stepney Green Park	£25,000 to £30,000	Would increase the range of sporting facilities within Stepney. The nearest cricket practice nets that are Council managed are at Victoria Park.	There are no cricket pitches for people to be able to play cricket games at Stepney Park. The grass pitch on Stepney is used for summer football and the installation of practice nets may lead to potential conflict that has health and safety concerns.
Stepney Green Astroturf improvements to pedestrian entrance, spectator covered area, building security and creation of a small refreshment kiosk.	Stepney Green Park	£10,000 to improve the entrances and spectator covered area. £8,500 to improve building security. £8,500 to improve accessibility.	Would increase the number of spectators and enable wider participation allowing additional spectators to be on site all in a safe, accessible agreed location. The current building needs security upgrades including new security shutters	Fence and gate would need to be installed so that the kiosk can be accessed when the Stepney Green Astroturf is closed. Improvements to the pathways around the kiosk, security office and spectator areas are required to ensure the site is level and more accessible.

		<p>£20,000 to create the kiosk and create a seating area into the park.</p>	<p>installed to each door and upgrading all the door locks.</p> <p>A kiosk would enable astroturf users and other park users to purchase drinks and snacks. This would help to increase dwell time in the park and also provide revenue.</p>	<p>Income from the kiosk would be approximately £10,000 per annum to the charity.</p>
<p>Play equipment, CCTV and site access upgrades</p>	<p>Wennington Green</p>	<p>£110,000 for playground upgrades.</p> <p>CCTV costs to be confirmed but estimated to be £60,000.</p> <p>Site entrance upgrades</p>	<p>The current play equipment is nearing end of life and as equipment becomes unusable, it will be removed and not replaced.</p> <p>The park currently has no CCTV. Upgrades would encourage more people to use this space as it would help to deter anti-social behaviour.</p> <p>The site is used for community events and funfairs (income from which benefits the charity). Upgrades to the vehicle entrance is required to reduce damage to the park and make the site more usable for a wider range of</p>	<p>Investment and upgrades to the site would be done in consultation with users and at least 50% of the new play equipment would be accessible.</p>

			community and income supporting events.	
Match funding towards Playzone scheme upgrades to the artificial pitches.	Mile End Park	£87,500 (25% of £350,000)	The existing pitches are well used but in poor condition. The Council will be seeking investment through the Playzones scheme, which will cover up to 75% of the costs.	The pitches must be booked and would not be free of charge.

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King George’s Field Trust Board Meeting 22 November 2023	 TOWER HAMLETS
Report of: Raj Mistry, Corporate Director, Communities	Classification: Partially restricted (exempt Appendix 1 and Appendix 3)
Leases Update, King George’s Field Trust (KGFT)	

Lead Member	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation
Originating Officer(s)	Catherine Boyd, Head of Arts Parks and Events
Wards affected	Mile End and Bow West
Key Decision?	No
Reason for Key Decision	This report has been reviewed as not meeting the Key Decision criteria.
Forward Plan Notice Published	N/A
Strategic Plan Priority / Outcome	N/A

Executive Summary

This report provides an update on the lease arrangements for the King George’s Field Trust (KGFT) retail and rental units, income from which supports the Charity to maintain park land and amenities for the benefit of Tower Hamlets residents.

This Report also provides an update in respect of lease renewal discussions and service charge arrears.

The report outlines requirements for management arrangements and recommends that a new management agent contract is tendered.

Recommendations:

The Board is recommended to:

1. Note the status of payments received and arrears for Green Bridge retail units.
2. Note the actions being taken to recover outstanding arrears from “Tenant A”.

3. Note the ongoing discussions in respect of the rent review for “Tenant B” and the valuation provided.
4. Grant permission for officers to enter into negotiation to settle a new rental agreement with “Tenant C” based on the valuation provided.
5. Authorise the Corporate Director of Communities to act against tenants listed in Table 1 (Exempt Appendix 1) to recover costs of unpaid service rent.
6. Take a decision regarding the management of leases including whether to procure external services to manage lettings.

1 REASONS FOR THE DECISIONS

- 1.1 The King George’s Fields charity is registered with the Charity Commission as King Georges Field, Mile End Charity, registered number 1077859.
- 1.2 The Council is the trustee of the Charity, and the Council is the freehold owner of the land which is subject to this report.
- 1.3 King George’s Fields Trust (KGFT) Board should consider its charity’s responsibilities as landlord of the Green Bridge retail and other commercial units. This includes ensuring that all statutory requirements are met.
- 1.4 In order to ensure the Charity is in receipt of the funds owing to it, it is incumbent upon the Council to ensure the rent being received reflects market values in line with the lease provisions. A decision from the Board on “Tenant C’s” lease is therefore requested in order for the Council’s Asset Management team to be able to instruct lawyers and the external agents to enter into negotiation to settle a new rental agreement with “Tenant C”.
- 1.5 Tenants listed in Table 1 of Exempt Appendix 1 have historical service charge areas. Service charges are payable by all tenants for services provided including cleaning, agents’ fees and general repairs and maintenance to common areas.
- 1.6 The tenants have been contacted regarding their arrears but those outlined below are still outstanding. It is recommended that a final reminder is given to the tenants in breach of their payment with proposed further actions taken if they do not cover their arrears. Permission is required from the Board to take any necessary enforcement and legal action to recover the outstanding arrears.
- 1.7 The current external letting management agent is contracted by the Council’s Asset Management team to oversee management arrangements for retail units on behalf of KGFT and the Housing Revenue team. The current contract ends in December 2023 and therefore a decision is required by the board whether to authorise officers to procure a new contract for these services.

- 1.8 The Board is required to act in the best interest of the Charity and to consider Public Benefit when taking a decision. A guide to Public Benefit has been provided to Board members (Appendix 2).

2 ALTERNATIVE OPTIONS

- 2.1 The Charity needed to recover the utility arrears from “Tenant A” so that the Charity is not deprived of funds to undertake its remit.
- 2.2 In respect of the overdue rent review of “Tenant C’s” lease, it is not considered there is an alternative option. Under the Landlord and Tenant Act 1954 they have a protected lease and therefore have a statutory right for a rent review.
- 2.3 Tenants detailed in Table 1 (exempt Appendix 1), are liable under the lease to pay service charges. The tenants listed are in arrears with their service charge payments, which cover the cost of maintaining communal areas. To date instructions have been given to the management agents to try and resolve this issue. Discussions are ongoing, however should a suitable resolution not be reached then officers will need authority from the Board to act at the appropriate time. Should this not occur then it is considered the Trust will be in breach of its obligations under its charity responsibilities.
- 2.4 Not appoint an external agent to manage the properties and instead manage the arrangements inhouse. The Council does not currently have adequate inhouse resources to effectively manage the tenants, in accordance with government legislation. As it would be difficult to recruit to this post it is likely that an interim surveyor would need to be employed. Both an employee and/or an interim surveyor would cost more to engage than an external lettings agent. Therefore, the appointment of an external agent is recommended.

3 DETAILS OF THE REPORT

- 3.1 All tenants with the exception of “Tenant C” are up to date with their rent demands. “Tenant C” rent for June quarter is outstanding. Reminder letters have been sent by the management agent to collect the outstanding rent. Tenant have failed to make payment to settle the debt. Further action is required to recover the outstanding arrears.
- 3.2 “Tenant A’s” outstanding utility charges are being pursued by Legal.
- 3.3 The final arrangements for the lease renewals with “Tenant B” are now with legal and will result in an increase in income.
- 3.4 Asset Management have had specialist external agents undertaking negotiations with “Tenant C” and their recommendation, for noting by the Board, is contained within exempt Appendix 2. The valuation provides a possibility of an increase in rent, thereby meeting the fiduciary duties as it is at a level recommended by the external agent.
- 3.5 There are historic service arrears on a number of the Green Bridge retail units, which are being actively pursued by the management agent. A list of the tenants and their arrears is provided in exempt Appendix 1. Permission is required from the Board to undertake necessary legal and enforcement action in order to recover these arrears.
- 3.6 A number of years ago, the Council decided to tender out the management of these estates to an external management agent in order to minimise the staffing resources required from the Council and associated costs of inhouse management.
- 3.7 The current Contractor was awarded, through a tender process, a management services contract for Mile End Road Shops and Ben Jonson Road North Shops, also known as Retail Units 1-16, 41-73 Ben Jonson Road, London, E1 4SA. An extension of 12 months was approved by the Board on 26 October 2022. This extension expires in December 2023.
- 3.8 The current Contractor was appointed due to a lack of adequate resources and appropriate facilities required to carry out the functions of services charges in accordance with government legislation.
- 3.9 The current contract covers two areas under separate administrative ownership. Mile End Road Shops under the ownership of the King George’s Field Trust and Ben Jonson Road North under the ownership of Housing Revenue Account.
- 3.10 It is recommended that a new contract for 36 months with the option for a 12-month extension is procured by a tender for both the Charity and the Council work. In the interim we will be putting in place a short-term contract to ensure a continuity through RFQ process. This will be for up to a year pending the completion of the tender process.
- 3.11 The costs for the services provided by an external Contractor are largely off-set by the service charges that are applied to each of the leases, which is standard

practice. The costs for their services are included in exempt Appendix 1. It is likely that the Council would need to charge a higher service charge to cover internal staffing resources than those levied by a management agency who have economies of scale. Given the current cost of living and energy crisis, which will impact on commercial lettings, it is unlikely that the market would sustain higher service charges. At present each lease is charged based on their square meterage to ensure equity and transparency.

- 3.12 The outsource also provides additional accountability, with regular meetings arranged with the agent. This also enables them to provide additional tactical advice gleaned from other portfolios they are managing.
- 3.13 On the basis that a full-time member of staff can be identified, it is likely they would need to be at Grade M level at a cost of £54,513 plus add ons. However, there has been difficulty in filling a permanent role, and an interim surveyor would likely need to be employed, with the costs to the Council being closer to £90,000.
- 3.14 Given the potential costs of bringing any management inhouse and the current market conditions, it is recommended that a procurement is undertaken to secure a contract for an external management agent to manage King George's Fields Trust and the Council sites at Ben Jonson Road North.

1 EQUALITIES IMPLICATIONS

- 1.1 The King George's Field Trust manages lands and facilities which are open to all. Where charges have to be made, such as artificial football pitches, charges are kept at affordable levels for the local community.

2 OTHER STATUTORY IMPLICATIONS

- 2.1 The lease rent review for "Tenant C" is a statutory matter under the Landlord and Tenant Act 1954, with the tenant entitled to a rent review.

3 COMMENTS OF THE CHIEF FINANCE OFFICER

- 3.1 King Georges Fields Trust is a self-financing Charity with no direct contributions from the Council general fund. To ensure sustainability it is important that the Charity maximises the income from the available sources through negotiation of longer-term leases and pursues any non-payment of monies owed.

4 COMMENTS OF LEGAL SERVICES

- 4.1 The London Borough of Tower Hamlets is the corporate trustee of the King George's Field Trust ("the Charity"). Decisions of the Council as trustee are made by the King George Trust Board. When Councillors are sitting as Board members they must act in the Charity's best interests and manage the Charity's resources responsibly and ensure that the Charity complies with its legal obligations.

- 4.2 Before granting a lease for 7 years or more, the charity trustee must obtain and consider a written report on the proposed lease from a qualified person. A surveyor who is a member of the RICS and has experience in the relevant area is such a person.
- 4.3 The trustees must then decide if they are satisfied (having considered the written report) that the terms of the lease are the best that can be reasonably obtained.

Linked Reports, Appendices and Background Documents

Linked Report

- [Tower Hamlets Council - Agenda for King George's Field Charity Board on Wednesday, 26th October, 2022, 7.00 p.m.](#)
- [Tower Hamlets Council - Agenda for King George's Field Charity Board on Wednesday, 12th April, 2023, 5.30 p.m.](#)

Appendices

- Appendix 1 (exempt) – Commercial Property Recommendations and Updates
- Appendix 2 – Public Benefit Guidance
- Appendix 3 - (exempt) SFP Rent Review Report – 554 Mile End Road

Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012

- None

Officer contact details for documents:

Catherine Boyd, Head of Arts Parks and Events

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Appendix 2 King George's Field Trust (KGFT) Charity Commission's Public Benefit Guidance

Introduction

London Borough of Tower Hamlets, as Corporate Trustee, is aware of the Charity Commission's guidance on Public Benefit. For information an overview of the Public Guidance is being provided to the King George's Field, Mile End Charity Board. Below is an extract of the Charity Commission's guidance on Public Benefit.

Public benefit: rules for charities

Charity trustees must 'have regard' to the Charity Commission's public benefit guidance when carrying out activities to which it's relevant.

About public benefit

In England and Wales, public benefit is part of what it means:

- to be a charity - your charity must have only charitable purposes which must be for the public benefit ('the public benefit requirement')
- to operate as a charity - as a charity trustee, when running your charity you must carry out your charity's purposes for the public benefit
- to report on a charity's work - as a charity trustee, you must report each year on how you have carried out your charity's purposes for the public benefit and confirm that, in doing so, you have had regard to the [Charity Commission's public benefit guidance](#) where relevant

All charity trustees have a duty to 'have regard' to the commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. As a charity trustee, 'having regard' to the commission's public benefit guidance means being able to show that:

- you are aware of the guidance
- you have taken it into account when making a decision to which the guidance is relevant
- if you have decided to depart from the guidance, you have a good reason for doing so

The public benefit requirement

Your charity's 'purpose' is what it is set up to achieve. For an organisation to be a charity, each of its purposes must be for the public benefit. The Charities Act 2011 calls this the 'public benefit requirement'.

The public benefit requirement has two aspects:

The 'benefit aspect'

To satisfy this aspect:

- a purpose must be beneficial - this must be in a way that is identifiable and capable of being proved by evidence where necessary and which is not based on personal views

- any detriment or harm that results from the purpose (to people, property or the environment) must not outweigh the benefit - this is also based on evidence and not on personal views

The ‘public aspect’

To satisfy this aspect the purpose must:

- benefit the public in general, or a sufficient section of the public - what is a ‘sufficient section of the public’ varies from purpose to purpose
- not give rise to more than incidental personal benefit - personal benefit is ‘incidental’ where (having regard both to its nature and to its amount) it is a necessary result or by-product of carrying out the purpose

In general, for a purpose to be a charitable purpose it must satisfy both the benefit and the public aspects. However, charities for the relief (and in some cases the prevention) of poverty need only satisfy the benefit aspect.

Your organisation cannot be a charity if it has some purposes that are charitable and some that are not. For more information, read [Public benefit: the public benefit requirement](#).

Carry out purposes for the public benefit

As a charity trustee, it’s your responsibility to run your charity in a way that carries out its purposes for the public benefit. This means:

Make decisions to ensure your charity’s purpose provides benefit

This means understanding how the purpose is beneficial and carrying it out so as to benefit the public in that way.

Make decisions to manage risks of detriment or harm to your charity’s beneficiaries or to the public in general that might result from carrying out the purpose

This means identifying risks of harm, minimising the risks and making sure that any harm that might arise is a minor consequence of carrying out the purpose.

Make decisions about who benefits in ways that are consistent with the purpose

This means knowing who can potentially benefit from the purpose and giving proper consideration to the full range of ways in which you could carry out your charity’s purpose. You may choose to focus on certain beneficiaries. You can do this provided that you have proper reasons for doing so and you make your decisions in accordance with the framework for trustee decision making.

Other factors that can also affect who can benefit from your charity’s purpose include membership provisions, physical access to facilities provided by the charity (such as opening hours) and charging for a charity’s services.

Make decisions to make sure any personal benefits are no more than incidental

This means making sure that any personal benefits people receive (having regard both to its nature and to its amount) are no more than a necessary result or by-product of carrying out the purpose.

You must make decisions that are within the range of decisions that trustees could properly make in those particular circumstances. Provided that you do that, then you will have made a 'right' decision. It is not for the courts or the commission to tell trustees which decision to make if there is a range of decisions open to them.

This means that, as a charity trustee, you generally have a choice about how to carry out your charity's purposes, provided that you exercise your discretion in a way which:

- is in accordance with your charity's purpose (so not operating outside of that purpose)
- is for the public benefit
- has regard to the commission's public benefit guidance where relevant
- is in accordance with the general framework for [trustee decision making](#)

The commission would expect you and the other trustees to address and resolve a situation in which your charity's purposes were not being carried out for the public benefit. For more information, read the commission's guide: [Public benefit: running a charity](#).

Report on public benefit

If your charity is registered, your trustees' annual report must explain how you have carried out its purpose for the public benefit. A detailed report is only required if your charity's gross income exceeds £500,000; otherwise a brief summary is all that's needed. You must also state whether you and the other trustees had due regard to the commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

If you send the commission your charity's trustees' annual report, it will be displayed on [the public register of charities](#). The commission provides [examples of good public benefit reporting](#) but it does not endorse individual reports.

The commission checks a random sample of trustees' annual reports for the quality of reporting, including about public benefit, and would consider persistent non-reporting of public benefit a potential regulatory issue.

However, reporting on public benefit should not just be seen as a legal requirement that trustees must meet and that the commission regulates. Done well, it can help you stay focused on what your charity is there to achieve. It can also help you demonstrate the value and impact of your charity's work to its supporters, beneficiaries, grant makers and funding bodies.

For more information, read the commission's guide: [Public benefit: reporting](#).

The law relating to public benefit

The commission's public benefit guidance is not the law on public benefit. The law on public benefit is contained in charities' legislation and decisions of the courts.

Its public benefit guidance is high level general guidance, written for charity trustees, to explain what the law says on public benefit and how it interprets and applies that law.

The commission makes decisions about public benefit in individual cases based on the law as it applies to the facts of the particular case, and not on this high-level guidance.

This is because its general guidance cannot cover all the complexities of the law relating to public benefit.

For more information about the commission's view of what the law says on public benefit see:

- [Analysis of the law relating to public benefit](#)

This analysis of the law may be of interest to charity trustees who wish to know more about the legal basis of the commission's guidance. However, it does not form part of the commission's set of public benefit guides, and so is not, as such, guidance to which charity trustees must have regard.

The commission checks a random sample of trustees' annual reports for the quality of reporting, including about public benefit, and would consider persistent non-reporting of public benefit a potential regulatory issue.

However, reporting on public benefit should not just be seen as a legal requirement that trustees must meet and that the commission regulates. Done well, it can help you stay focused on what your charity is there to achieve. It can also help you demonstrate the value and impact of your charity's work to its supporters, beneficiaries, grant makers and funding bodies.

For more information, read the commission's guide: [Public benefit: reporting](#).

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