


<b>Cabinet</b>	
26 June 2019	
<b>Report of:</b> Ann Sutcliffe, Corporate Director, Place	<b>Classification:</b> Unrestricted
Mudchute Farm, Park and Allotments, Pier Road E14; Grant of Long Lease	

<b>Lead Member</b>	Mayor John Biggs, Lead Member for Asset Management
<b>Originating Officer(s)</b>	Ralph Million, Senior Strategic Asset Manager
<b>Wards affected</b>	Island Gardens, Blackwall and Cubitt Town
<b>Key Decision?</b>	Key
<b>Forward Plan Notice Published</b>	20 December 2018
<b>Reason for Key Decision</b>	Significant financial implications from the grant of a long lease at a peppercorn rent. The decision is outside the scope of delegated authority.
<b>Strategic Plan Priority / Outcome</b>	<ol style="list-style-type: none"> <li>1. People are aspirational, independent and have equal access to opportunities;</li> <li>2. A Borough that our residents are proud of and love to live in;</li> <li>3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our Borough.</li> </ol>

## Executive Summary

The report proposes that the existing lease to the Mudchute Association, which includes farm and park areas, is surrendered and that a new 99 year lease is granted. At the same time, a sub-lease will be granted by the Association to the Isle of Dogs and District Allotments Society in respect of the two areas of allotments.

## Recommendations:

The Mayor in Cabinet is recommended to;

1. Agree to accept a surrender of the lease dated 8 October 2004 held by the Mudchute Association, which covers Mudchute Farm and Park.

2. Agree that simultaneously with the surrender, the Council will grant a new lease to the Mudchute Association for a term of 99 years at a peppercorn rent, covering the same area and on the main terms set out in paragraph 3.9.
3. Note that simultaneously with the above, the Mudchute Association will grant the Isle of Dogs and District Allotments Society a sub-lease, also for a term of 99 years (less one day) at a peppercorn rent and on the main terms set out in paragraph 3.11.
4. Agree to delegate authority to the Corporate Director of Place to agree the remaining terms of the lease and minor variations to the terms set out in this report.
5. Note that the Council gave notice of its intention to dispose of the open space, by way of the grant of a long lease, and that no objections were received by the closing date of 13 December 2018.
6. Note the equalities considerations as set out in section 4.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The report proposes that the existing lease to the Mudchute Association (MA), which includes farm and park areas, is surrendered and that a new 99 year lease is granted. At the same time, a sub-lease will be granted by the MA to the Isle of Dogs and District Allotments Society (the Society) in respect of the two areas of allotments.
- 1.2 The decisions will secure the long term future of the site and the position of the operators. A Cabinet decision is required because the grant of the lease represents a disposal of Council land and at less than the best consideration reasonably obtainable, which is outside the scope of officer delegated decision making.

## **2. ALTERNATIVE OPTIONS**

- 2.1 There are three main options;
  - Do nothing. This would result in the MA facing difficulties with fund raising and long term planning. At the expiry of the current lease, the MA would be entitled to renewal unless the Council wished to oppose this and was able to demonstrate one of the statutory grounds. A new lease granted under these circumstances would be relatively short term and at a market rent. It would leave the Society without a formal agreement covering its occupation of the allotments land.
  - Grant a shorter lease. This is unlikely to be acceptable to the MA as it would not enable the benefits of a long term lease to be realised.
  - Agree the proposals in this report. This would enable a series of

benefits to be realised, in particular enabling the MA to raise funding and develop long term plans for the site, along with providing the Society with a documented and agreed basis for its long term occupation of the two allotments areas.

### **3. DETAILS OF THE REPORT**

- 3.1 In 1981 the Council acquired the freehold of the Mudchute farm and park area from the Port of London Authority (PLA), for a price of £119,000. It subsequently granted a lease to the MA for a term of 30 years from June 1994. The lease has therefore approximately five years unexpired. A plan showing the extent of the land covered by the lease is at Appendix 1. The key terms of the existing lease are set out at Appendix 2.
- 3.2 The Mudchute, or Mud Shoot as it was originally known, was created from mud and silt dredged for Millwall Dock and is the only raised park in the borough. Prior to the Council's acquisition, in the late 1970s, the local community organised to protect the land from proposed development. At that stage the land was mostly scrubland. In due course a charity, the MA, was established, and since then the site has been improved and managed by the MA into a thriving park, farm and education centre.
- 3.3 The Mudchute Park and Farm covers 32 acres (13 hectares) and is one of the largest city farms in Europe, containing parkland, a children's nursery and other facilities including;
- Animal enclosures and shelters
  - Stabling and horse riding area
  - Classrooms
  - Café and shop
  - Children's nursery
  - Office space
  - Residential property occupied by two staff employed in connection with the farm and equestrian facility
  - Two areas of allotments run independently by the Society
  - Children's nursery
  - Two telecoms masts
  - Beehives
  - Public open space
- 3.4 The MA has been operating the site since 1982, previously under a 15 year lease granted by the Council in that year. Through this period it has held the land on a leasehold basis from the Council as the freeholder, through a series of leases. The majority of the site is occupied by MA, with third party occupations of the allotments, café, telecoms masts and beehives.
- 3.5 For a number of years, the MA has expressed a wish to convert the relatively short term leases into either freehold ownership or a long lease, and has

engaged constructively with the Council to take this forward. The reasons for pursuing this approach include;

- Some current and future funding is contingent on having long term security of tenure. A current case is the redevelopment of the riding arena, but more generally it applies on an ongoing basis. The Council recognises the issues arising from the relatively short term remaining of the existing lease, in terms of raising further and more significant capital funding, and the proposal in this report will provide the certainty that the MA has requested. Many capital funding providers require a minimum lease terms of 25 years as a condition of funding. Supporting the MA in fundraising will generate improved services to Borough residents at no cost to the Council.
- Long term planning. The MA employs approximately 55 people, and has a broad range of activities. As a mature and substantial organisation, it would like appropriate security of tenure to be able to plan for the long term.
- Track record as custodian of the site. The MA has operated the Mudchute Park and Farm for almost 40 years, and is primarily responsible for its creation. The MA has grown and improved its activities over this period in partnership with the Council. It has demonstrated good governance and a sound financial track record with a sustainable business model during this period.
- The MA and Council are both committed to any long lease containing protections to ensure the continuation of the Mudchute as open space for the people of the Borough and visitors, for the duration of the lease term.

3.6 The MA has a track record of fund raising success, even within the constraints of the current lease. This year the MA received a National Lottery Heritage Fund grant of £51,300 for a project relating to the history and heritage of traditional native rare breed farm animals.

3.7 Part of the site covered by the existing lease is occupied by two areas of allotments. There have been allotments in this area of the Isle of Dogs over a long period, dating back to the early twentieth century, and it is understood that the current pattern of provision has been in existence since 1975. The allotments are operated by the Society. When the leases to the MA were granted in 1982 and 1994, they contained no provisions recognising that the Society was in occupation of part of the area within the overall lease demise. This has led to uncertainty over the relationship between the MA and the Society, which the proposed new lease arrangements aim to resolve.

3.8 Following lengthy discussions with the MA and the Society, proposals for the terms of new leases have been provisionally agreed, subject to approval from the Mayor in Cabinet. The terms of the new lease to the MA are intended to give the MA the security that it needs to implement its vision for the future, whilst ensuring that the Council has enough influence to control future change, where it is appropriate to do so.

- 3.9 The heads of terms are included at Appendix 3. These include the following key provisions;
- A term of 99 years at a peppercorn rent, subject to a break option for the MA at any time after two years.
  - No assignment or sub-letting, except for existing and limited scale sub-lettings arrangements.
  - The MA to maintain and insure the property, subject to certain Council obligations in respect of the park area.
  - There is a Service Level Agreement (SLA) between the Council and MA, which provides payment to MA in return for certain management and maintenance services performed by MA. If there ceases to be, whether through an SLA or other agreement, payments to the MA for those services, then the MA will be released from compliance with any related obligations in the lease.
  - The Council's approval is required to significant alterations.
- 3.10 The public open space park area and the farm are to be subject to some separate provisions in the lease. The boundary between the areas is shown on the plan at Appendix 4.
- 3.11 In order to regularise the position in respect of the allotments, it has been agreed with the MA and the Society that, alongside the new lease from the Council to the MA, the MA will grant a sub-lease to the Society. The heads of terms provisionally agreed between the two parties are attached at Appendix 5. These include the following key provisions;
- Term of 99 years less one day at a peppercorn rent.
  - Break option for the Society at any time. Break option for the MA at any time after the first two years of the lease, in the event of a breach of the terms, which cannot be remedied to the reasonable satisfaction of the Association and the Council, subject to 12 months' notice. The lease shall only be capable of being ended by the MA with the agreement of the Council.
  - The Society to maintain the property.
  - No assignment or sub-letting except to allotment plot-holders.
- 3.12 The grant of the proposed lease to the MA constitutes a disposal of land at less than the best consideration reasonably obtainable. The Council has a power to do so, provided that the grant of the lease is considered by the Council to "help it to secure the promotion or improvement of the economic, social or environmental well-being of its area." The amount of the undervalue must be less than £2m. Valuation advice was commissioned from two independent companies in 2016 and 2018. Whilst there were differences in the approaches, Council officers can confirm that the undervalue in this case is less than £2m. The grant of the lease will help to achieve these well-being objectives for the reasons set out in paragraph 3.13 below.
- 3.13 The work of the MA covers a wide range of activities. Its core activities include;

- Managing a publicly accessible park and nature reserve. In a Borough of increasing population and dense urban development, all open space is to be valued. The Mudchute park and Farm offers both open space and access to animals which make it a particularly valuable asset which the Council wishes to sustain in the long term. The MA says that its site is “much more than a park, more than a farm, it’s a unique habitat which offers something special to the public unavailable elsewhere in the Borough”. In addition to being designated as Metropolitan Open Land, it is a Site of Metropolitan Importance for Nature Conservation.
- The site has a Green Flag award and the MA has a strong commitment to the development of a biodiverse habitat. Both the park and farm are publicly accessible every day, free of charge
- City farm. The Mudchute Farm is one of the largest city farms in Europe. There is a valued collection of British rare breeds within a current total of over 100 animals and fowl on the farm. The farm is London's only Rare Breed Survival Trust's Approved Conservation Farm Park. Urban farms offer both adults and children the opportunity to see and touch farm animals which many would never otherwise see close up.
- Nursery school and education. The MA operates the Muddy Boots day nursery, located on the site. This currently has space for approximately 80 children. It is extremely popular with parents and well regarded. The nursery is a registered childcare provider rated Good by Ofsted in 2017. In addition the MA Mudchute provides a wide range of education programmes to a diverse range of ages and need groups.
- Riding centre. The Mudchute has a well-established horse riding centre, which, in addition to standard fee-paying riding and lessons, provides a range of activities for local user groups.
- All activities undertaken on the site are part of the MA, which means that any surpluses from trading activities are ring-fenced within the charity and re-invested for charitable purposes rather than being distributed to shareholders.
- It is recognised that, although the MA currently receives an annual payment of £31,000 through an SLA from the Council in return for operating the open space, the amount is substantially less than the likely costs to be incurred by the Council in managing the space directly.

3.14 The two areas of allotments, as shown on the plan at Appendix 3, were added to the Council’s list of Assets of Community Value (ACV) in March 2017. The grant of a lease to the MA, subject to the continuing occupation of the allotments under the Society’s management, would not constitute a qualifying disposal for the purpose of the moratorium provisions. As such, the Council is not required to take any specific steps to publicise the proposed grant of the lease under the ACV regime.

3.15 The disposal of allotments land is controlled by various statutes. The purpose of the provisions is to protect such land from changes of use through

development, neglect etc. Section 8 of the Allotments Act 1925 provides that, if a local authority has purchased or appropriated land for use as allotments, the local authority must not dispose of the land for any purpose, other than for use as allotments, without the consent of the Secretary of State. In this case, the proposed disposal does not involve a change of use and, in fact, secures the allotments use in the long term. It is therefore considered that the Council is not required to seek consent in effecting the current disposal.

- 3.16 The land to be demised under the lease to the MA includes open space. As such, the 1972 Local Government Act requires the Council to publicise its intention to make the disposal, through the grant of a lease, and to consider any objections received. Although there is an existing lease, it is not clear what process was followed when that was granted in the 1990s and, on a precautionary basis, it was considered that a new notice should be issued.
- 3.17 The notice was published in editions of the Docklands and East London Advertiser on 22 and 29 November 2018. No objections were received by the closing date of 13 December 2018.
- 3.18 The freehold contains a restriction that any change of use from public open space requires the consent of the Port of London Authority (PLA). The PLA can require a payment for granting consent based on the amount by which the value of the site would have exceeded £3,500 per acre had it been valued for the alternative use in 1981.
- 3.19 In 1992 the Council paid the PLA £5,000 for consent to use part of the site for stables, offices, café and classrooms. It is not known whether any other consent has been obtained from the PLA by the Council, although it is understood that the MA has obtained consent direct with the PLA for the construction and use of a residential building. The proposed grant of the lease to the MA does not in itself involve any change of use that would require the consent of the PLA.
- 3.20 As previously mentioned in paragraph 3.9, there is an SLA in place between the Council and the MA relating to the public open space of the park area. Under this SLA, the Council contributes £31,000 pa towards the MA's maintenance of aspects of the site to defined standards, and to ensure public access. The Council retains responsibility for grass cutting of the meadow areas and tree maintenance. The SLA arrangement will continue following the grant of the new lease and will be reviewed in accordance with its terms and the Council's normal procedures. As noted in paragraph 3.9, if there ceases to be, whether through an SLA or other agreement, payments to the MA for those services, then the MA will be released from compliance with any related obligations in the lease.
- 3.21 There is an area of park land which is not within the Council's registered title, as shown coloured red on the plan at Appendix 4. The land has been managed as public park for many years. Officers will develop the options for dealing with this land. It may be that it is excluded from the initial lease to the MA, whilst a way forward is established.

- 3.22 For reference, the Council owns two other farms subject to leases to the operators. These are Stepney Farm and Spitalfields Farm. Stepney Farm is subject to a lease for ten years from August 2012 at peppercorn rent. Spitalfields Farm is subject to a lease of 25 years from November 2006 at a peppercorn rent.
- 3.23 In Planning terms, the Mudchute site is Metropolitan Open Land, a Local Nature Reserve and a Site of Metropolitan Importance for Nature Conservation. Since 1991 there have been 19 planning applications, as recorded on the public register, 10 since 2000. These cover the construction of the nursery, education centre, house, telecoms masts and equestrian facilities, amongst other things.

#### **4. EQUALITIES IMPLICATIONS**

- 4.1 The Mudchute Park and Farm provide a valuable resource for people to access open space and encounter animals in an urban environment. These aspects are of particular importance to those without access to private open space or to more distant, rural facilities.
- 4.2 The Association indicates that it is committed to a comprehensive policy on Equality and Diversity for its entire staff, students and all users of its many services. This Policy, which states that the Association will not tolerate any form of discriminatory behaviour or practices, has recently been submitted to the Council as one of the documents required for the current Local Commissioning process, for which the Association has submitted a bid. The Equality and Diversity Policy is monitored and reviewed regularly and promoted throughout the Mudchute. Registration forms and recruitment applications have an equal opportunities attachment and registers for events are means of collecting data used to monitor diversity of staff, volunteers and service users.
- 4.3 The Association's charitable objectives include the following with equalities implications;
- to promote for local people the opportunity of recreation and leisure on the Mudchute, especially the young, the elderly and those of limited economic means,
  - to advance the education of local people in countryside activities,
  - to provide education and training for young people.

#### **5. OTHER STATUTORY IMPLICATIONS**

- 5.1 These have been covered in the main body of the report. Paragraphs 3.12 and 3.14 to 3.17 refer. There are no other statutory implications.



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

- 6.1 This report seeks the approval of the Mayor in Cabinet to the granting of a 99 year lease of Mudchute Farm, Park and Allotments to the Mudchute Association. A peppercorn rent will be charged. This will replace the existing lease that expires in June 2024 which will be surrendered. A simultaneous sub-lease for the allotments will be granted by the association to the Isle of Dogs and District Allotments Society.
- 6.2 Entering into the new lease arrangements will provide security of tenure to the association which will enhance its ability to bid for external funding (see paragraph 3.5), as well as providing certainty for the association's long term planning.
- 6.3 The site is being disposed of at less than market value (see paragraph 3.12). The Council has powers to do this, provided that the under-value does not exceed £2 million and conditions in relation to the economic, social or environmental well-being of the of area are met (see paragraph 7.3 of the Comments of Legal Services).
- 6.4 The Council currently pays the Mudchute Association £31,000 per annum to manage and maintain the parkland surrounding the farm on its behalf. These arrangements are subject to a Service Level Agreement which will continue under the new lease.

## **7. COMMENTS OF LEGAL SERVICES**

- 7.1 The Council's general power of competence to carry out disposals is established in s1-6 of the Localism Act 2011. It is subject to the requirements in the Local Government Act 1972, most notably the s123 requirement to obtain best consideration for any disposal (which has here been discharged by obtaining independent valuation advice as referred to above at 3.12 of this report).
- 7.2 As the land owned by the Council is to be disposed of is a designated Public Open Space, an additional requirement arises under s123(2a) to provide an opportunity for public comment. This is carried out by arranging for the placement of notices in newspapers with a local circulation in two consecutive weeks. A notice has been approved and published in two local newspapers for the required two-week period as stated in 3.16 of this report.
- 7.3 Section 128(1) of the 1972 Act confers on the Secretary of State power to give a general consent for the purposes of land disposals by local authorities carried out under their powers in Part 7 of the 1972 Act. The terms of the Consent means that specific consent is not required for the disposal of any interest in land which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area. Disposal at less than best consideration is subject to the condition that the under value does not exceed £2 million. Paragraph 3.12 of

this report provides the confirmation that the undervalue does not exceed £2 million.

## 8. **COMMENTS OF THE CORPORATE DIRECTOR, CHILDREN AND CULTURE**

- 8.1 Mudchute Association is a well-established community organisation that has been instrumental in maintaining this important piece of Metropolitan open space in conjunction with the Council. The granting of the lease, as outlined in paragraphs 3.9 – 3.11, would enable the organisation to continue to do so and also permit it to access further funding opportunities to help secure the open space for the residents of the borough in the longer term.
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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**

- Appendix 1 – Site Plan
- Appendix 2 – Existing Lease Terms
- Appendix 3 – New Lease to MA – Proposed Heads of Terms
- Appendix 4 – Plan showing Park and Farm Areas
- Appendix 5 – New Sub-lease to the Society – Proposed Heads of Terms

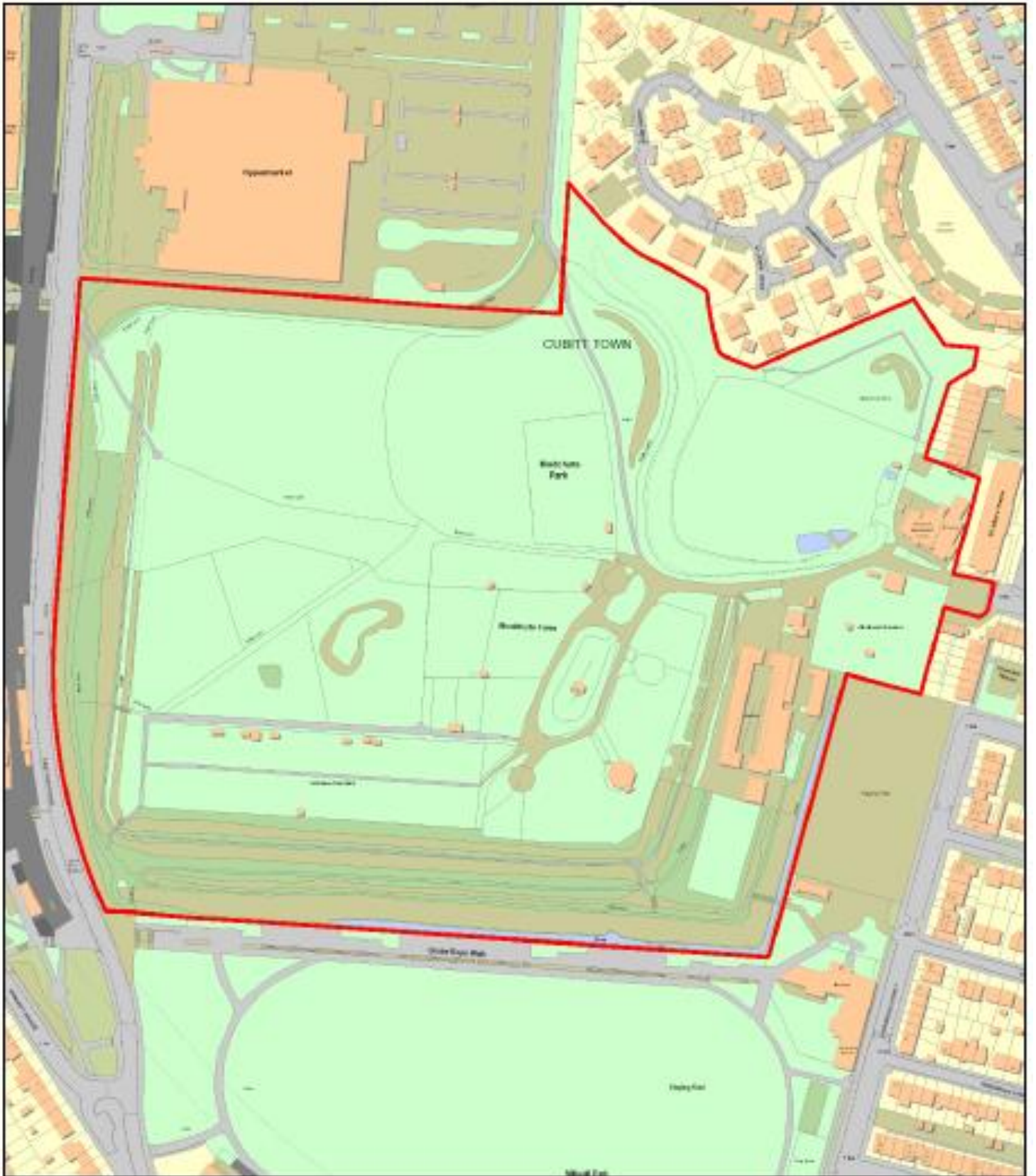
#### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- None

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

Ralph Million, Senior Strategic Asset Manager, 020 7364 4609

Appendix 1; Site plan



## **Appendix 2; Existing lease terms**

The key terms of the existing lease to the MA include;

**Rent.** A peppercorn rent for the first five years of the term and thereafter a rent of 12.5% of the average gross yearly turnover generated during the previous period of five years. In June 1994 the Council confirmed in a letter that, as long as MA meets certain charitable and usage requirements, rent will continue to be charged at a peppercorn.

**Use.** To keep and use the demised premises only for the purpose of temporary open space for such activities as are usually carried on at public parks. To permit access to the demised premises by the general public under supervision and at no charge.

**Repairs.** To put and keep all walls, fences, rails and gates in good repair and condition and all lawns, trees and shrubs properly cut and pruned. To put and keep all buildings and structures on the demised premises in good repair and condition.

**Alienation.** Assignment or underletting of the whole or part of the demised premises is prohibited provided that this shall not preclude MA from;

Entering into arrangements not involving assignment or underletting for the operation of the restaurant by a contractor,  
Granting a service tenancy in respect of the warden's house

**Alterations.** No alterations or new structures are permitted without the Council's consent

## Appendix 3; New Lease to MA – Proposed Heads of Terms

### LEASE HEADS OF TERMS (SUBJECT TO CONTRACT)

Mudchute Park and Farm, Pier Street, London E14 9HP

<b>LANDLORD:</b>	London Borough of Tower Hamlets “The Council”.
<b>LANDLORDS SOLICITOR:</b>	Legal Services, Tower Hamlets Town Hall Mulberry Place, 5 Clove Crescent London E14 1BY
<b>TENANT:</b>	Mudchute Association Contact; Lorraine Cavanagh OBE Chair of the Mudchute Association <a href="mailto:lorraine.cavanagh@docklandsettlements.org.uk">lorraine.cavanagh@docklandsettlements.org.uk</a>
<b>TENANT’S SOLICITOR:</b>	TBA
<b>DEMISE:</b>	Mudchute Park and Farm, as shown outlined in red on the attached plan, each area to be separately identified on the plan.
<b>LEASE TERM:</b>	A term of 99 years from completion and simultaneous surrender of the existing lease.
<b>RENT:</b>	One peppercorn per annum exclusive of all outgoing.
<b>RENT REVIEW:</b>	None
<b>REPAIR:</b>	The tenant will be responsible for all repairs and maintenance to the buildings, external areas, fences and other structures. Also for the grounds maintenance.  Any works to comply with Health and Safety legislation or any other statutory requirements will be the responsibility of the tenant and to be undertaken by the tenant without delay.
<b>INSURANCE:</b>	The tenant will insure the property and the contents, and put in place all relevant public liability and employers insurance.
<b>PERMITTED HOURS:</b>	Hours of use are not to exceed any specified within any planning permission in place. Public access at all times is required in respect of the rights of way across the demise.  Further provisions on hours of operation may be included in a SLA and the lease use provisions.

<b>OUTGOINGS:</b>	The tenant will be responsible for business rates and all other outgoings arising directly or indirectly as a result of the occupation including the costs of all health and safety compliance.
<b>ALIENATION:</b>	<p>Assignment, sub-letting or sharing occupation of the premises is not permitted.</p> <p>Sub-lettings of areas not exceeding 20 square metres will be permitted provided that there shall be no more than 5 such sub-lettings in existence at any one time, unless otherwise agreed. Sub-lettings shall be excluded from the protection of the Landlord and Tenant Act. No new sub-lettings to be created in the last five years of the term.</p> <p>Existing agreements are permitted and will be included in a schedule to the lease. Renewals, extensions or changes to existing agreements will require the consent of the Council not to be unreasonably withheld or delayed.</p> <p>A new sub-lease in respect of the allotment areas will be granted on completion.</p>
<b>USE:</b>	As an urban farm and park. The park area is to be identified on a plan. Further details are to be specified in a separate agreement or within the lease.
<b>ALTERATIONS:</b>	<p>No structural or external alterations permitted without the Council's approval, such approval not to be unreasonably withheld or delayed but subject to the tenant paying reasonable costs for the landlord to process applications for consent. Internal non-structural alterations permitted.</p> <p>Any changes to signage in which the Council is mentioned are to be approved by the Council. In respect of other main, external signage, the Council shall have a right to object to changes made by the Association. Any objections must be reasonable and in the event that a way forward cannot be agreed between the parties, the lease dispute resolution process will operate.</p>
<b>AGRICULTURAL HOLDINGS</b>	The lease will not create or constitute an Agricultural Holdings tenancy
<b>BREAK OPTIONS</b>	Tenant only break option at any time after the first two years of the lease subject to giving 12 months' notice. Vacant possession is to be given if required by the Council.
<b>OBLIGATIONS:</b>	<p>The tenant is to comply with all statutory and other obligations relating to the occupation or use of the property.</p> <p>Material changes to the constitution of the tenant or its charitable objectives and any that would reasonably be expected to change the tenant's ability to comply with the</p>

terms of this lease, will require the consent of the Council, not to be unreasonably delayed, as will a change in the status of the tenant as a registered charity (or equivalent from time to time).

**CONDITIONS:**

An SLA is to be in place between the Council and the tenant, under which the tenant will be paid for providing services to the Council, including the maintenance of the publicly accessible land mentioned herein.

A lease and arrangements for the management of the allotments are to be agreed between the Council, tenant and allotment society, and thereafter put in place.

The Council is required to advertise a proposed disposal of open space and to consider any objections received prior to making a decision to proceed.

Formal Council approval

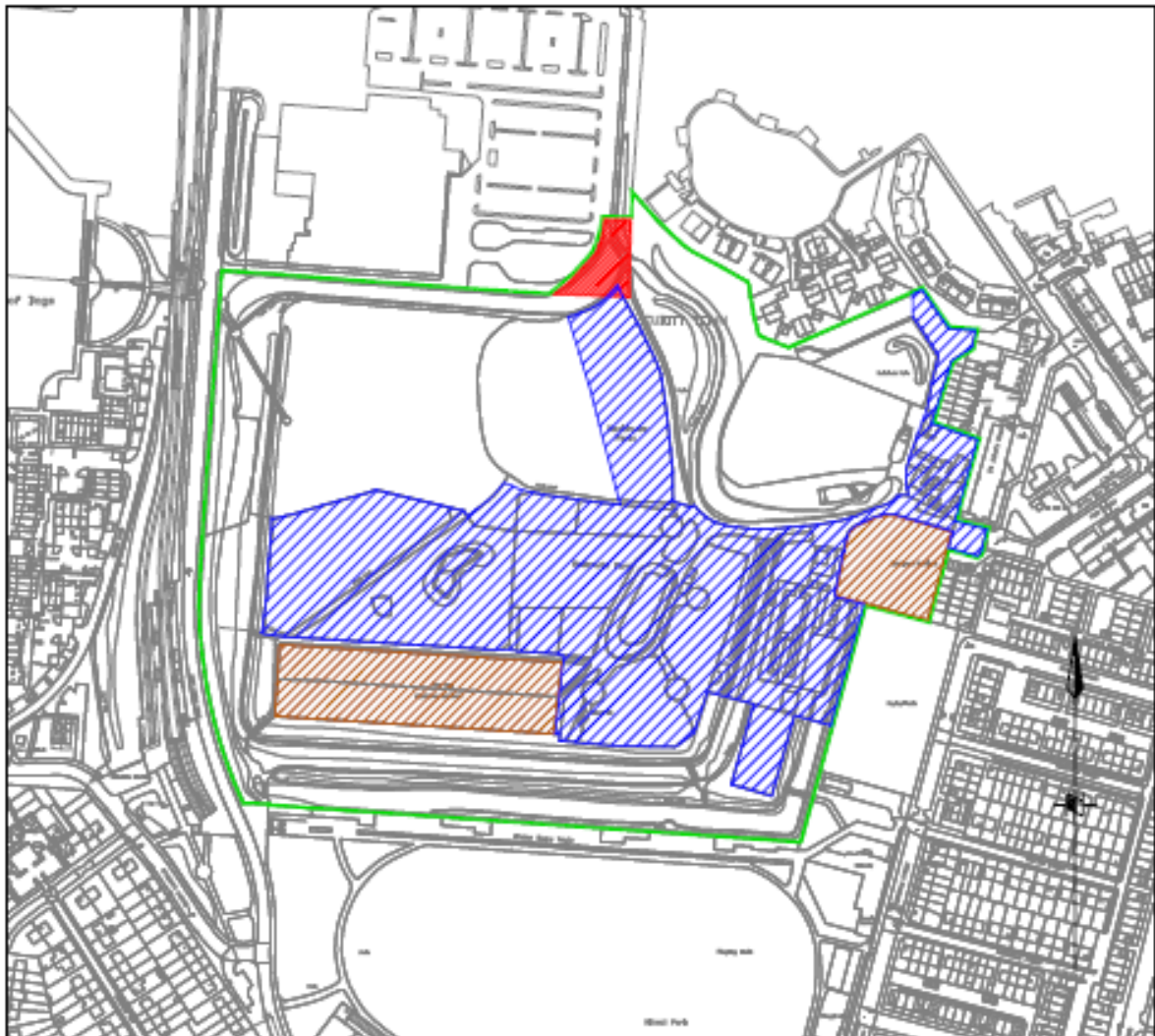
**OTHER TERMS:**

Such other terms as may subsequently be advised.

**LEGAL COSTS:**

Each party to pay their own costs.

**Appendix 4; Plan showing Park and Farm Areas**



- |   |                               |   |             |   |                   |
|---|-------------------------------|---|-------------|---|-------------------|
|  | <b>PARK</b>                   |  | <b>FARM</b> |  | <b>ALLOTMENTS</b> |
|  | <b>Non-Council Owned Land</b> |   |             |   |                   |



## Appendix 5; New sub-lease to the Society – Proposed Heads of Terms

### SUB-LEASE HEADS OF TERMS (SUBJECT TO CONTRACT)

Mudchute Allotments, Pier Street, London E14 9HP

- FREEHOLDER:** London Borough of Tower Hamlets “The Council”.
- FREEHOLDERS SOLICITOR:** Legal Services, Tower Hamlets Town Hall  
Mulberry Place,  
5 Clove Crescent  
London E14 1BY
- HEAD LESSEE:** Mudchute Association (the Association)  
Contact; Lorraine Cavanagh OBE  
Chair of the Mudchute Association  
[lorraine.cavanagh@docklandsettlements.org.uk](mailto:lorraine.cavanagh@docklandsettlements.org.uk)
- SUB LESSEE:** Isle of Dogs and District Allotments Society (the Society)  
Pier Street  
London E14 9HP  
Contact; Martyn Daniels  
Treasurer of the Society  
mdaniels@opus57.co.uk
- SUB LESSEE’S SOLICITOR:** TBA
- DEMISE:** Mudchute Allotments, lower and upper areas, as shown outlined in red on the attached plan.
- RIGHTS:** Access. The tenant will have rights of pedestrian and vehicular access over land to be agreed with the Association and defined on a plan. The use of such rights is to be subject to the reasonable regulations of the Association and, should the use by the Society change significantly from current levels (as described below), to the tenant contributing a fair proportion (namely reasonable relative to the actual usage and nature of usage by the Society) of the reasonable costs of managing and maintaining the land in question.
- If the tenants use of the access is, in any given year, minimal in relation to the use by others (less than 10% of the total use), the tenant will not be obliged to contribute for that year, nor will it be obliged to contribute for such usage unless the Association has proved that usage to be above such level. For the avoidance of doubt, the costs of making good any damage caused to the Association’s property by the Society shall be met by the Society.

For the avoidance of doubt, costs incurred by the Association that are directly attributable to the Allotments shall be repaid to the Association by the Society.

Utilities; The Society will have the right to run and maintain an electricity supply to the lower allotments from neighbouring property and over the land leased to the Association. The Society will be responsible for its own utility costs and supply arrangements.

Water and Sewerage; The Society will have the right to access and maintain water supply and drainage to both plots of land as currently enjoyed. The water costs will be paid by the Society to the supplier or to the Association based on metered use. Sewerage and associated costs is restricted to the lower plot.

Waste recycling; The Society will be responsible for its own recycling of waste and disposal of rubbish.

**SUB LEASE TERM:**

A term of 99 years (less one day) from the date of completion.

**RENT:**

One peppercorn per annum exclusive of all outgoings.

**RENT REVIEW:**

None

**REPAIR:**

The tenant will be responsible for all repairs and maintenance to the buildings, external areas, fences, walls and other structures. Also for the grounds maintenance of soft landscaping and planting, including that allotment plots are kept tidy and well-tended. The standards and style of decorations and finishes are to be consistent with the allotments use and subject to the reasonable requirements of the Association.

Any works to comply with Health and Safety legislation or any other statutory requirements will be the responsibility of the tenant and are to be undertaken by the tenant without delay.

**INSURANCE:**

The tenant will insure contents and put in place all relevant public liability and employers insurance. The tenant will have regard to any insurance recommendations made from time to time by the National Allotments Society.

**PERMITTED HOURS:**

Hours of use are between dawn and dusk, and in any event not to exceed any specified within any planning permission in place, and subject to the reasonable regulations of the Association.

Further provisions on hours of operation may be included in the lease use provisions.

**OUTGOINGS:** The tenant will be responsible for business rates (if any become due) and all other outgoings arising directly or indirectly as a result of the occupation including the costs of services and all health and safety compliance.

**ALIENATION:** Assignment, sub-letting or sharing occupation of the premises is not permitted.

Sub-lettings of individual allotment plots will be permitted provided that the tenancies are in an agreed form and in line with best practice, as may be recommended by the National Allotments Society. Such tenancies shall be excluded from the protection of the Landlord and Tenant Act.

Existing agreements are permitted and will be included in a schedule to the lease. Changes to the terms of tenancies will require the consent of the Council and the Association, not to be unreasonably withheld or delayed.

**USE:** As allotments for cultivation by individual tenancy holders. The following aspects shall be covered in supplementary documents;

- Setting and operation of an open and transparent allotment allocation and waiting list policy.
- Restrictions on catchment area for allotment holders.
- Setting a fair charging policy.
- Restrictions on the use of allotments for business or residential purposes.
- Restrictions on the size and type of structures permitted.
- Control of hours of use.
- A clear process for dealing with complaints and disputes

No changes to be made to the tenant's constitution, rules or any other document covering the points above, without the consent of the Council and the Association, not to be unreasonably withheld or delayed.

**ALTERATIONS:** No structural or external alterations permitted without the Council's and Association's approval, such approval not to be unreasonably withheld or delayed. Internal non-structural alterations permitted.

Any changes to external signage are to be approved by the Association and the Council.

**EXCLUSION OF 1954 ACT:** The lease will exclude the provisions of sections 24 to 28 of the Landlord and Tenant Act 1954.

The lease will not create or constitute an Agricultural Holdings tenancy

**BREAK OPTIONS**

Break option for the landlord at any time after the first two years of the lease following a breach of the terms of the leases which cannot be remedied to the reasonable satisfaction of the Association and the Council, subject to 12 months' notice. The lease shall only be capable of being ended by the landlord with the agreement of the Council.

For the avoidance of doubt, nothing in this section shall prejudice normal forfeiture remedies.

Break option for the tenant at any time on giving 12 months' notice. Vacant possession is to be given if required by the Council.

**OBLIGATIONS:**

The tenant is to comply with all statutory and other obligations relating to the occupation or use of the property.

Changes to the constitution of the tenant or other key documents to be specified will require the consent of the Council.

The tenant will permit access for inspection by the Association or an appointed officer of the Council when given notice of a minimum of 48 hours, except in the case of emergency.

**CONDITIONS:**

Changes to the terms of the sub-lease will not be permitted without the Council's agreement.

Formal Council approval

**OTHER TERMS:**

Such other terms as may subsequently be advised.

**LEGAL COSTS:**

Each party to pay their own costs.