

<b>Committee(s)</b>	<b>Dated:</b>
Hampstead Heath Consultative Committee – For Discussion	27 June 2016
<b>Subject:</b> Update on the Parliament Hill, Golders Hill Park and Highgate Wood Café Project Programme	<b>Public</b>
<b>Report of:</b> Superintendent of Hampstead Heath	<b>For Discussion</b>
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### Summary

Whilst two of the five available three-year café leases have been awarded to successful bidders, the company that had been awarded the lease for the remaining three cafés decided to withdraw in response to strong local concern.

At a meeting held on 16 May 2016, The Hampstead Heath, Highgate Wood and Queen's Park Committee (HHHWQPC) agreed for leases to be offered to the existing proprietors of these three cafés until 12 January 2018. This will allow time for a public consultation with local residents and visitors to Hampstead Heath and Highgate Wood, which will then inform an Options Appraisal to guide future decisions on these café leases.

Throughout this process the respective Consultative Committees will be fully involved at each stage.

### Recommendations

Members are asked to:

- 1) Note the minutes of the Hampstead Heath, Highgate Wood and Queen's Park Committee meeting held on 16 May in relation to the update on café leases.
- 2) Discuss and make recommendations, providing further input to a consideration of the draft guiding principles that are relevant to the provision of café facilities at Hampstead Heath and Highgate Wood.
- 3) Consider and make recommendations with regard to the undertaking of a public consultation to inform an Options Appraisal to guide future decisions on the café leases.
- 4) Consider and agree with the establishment and membership of a Café Working Party (CWP) (paragraphs 22-24).

## **Main Report**

### **Background**

1. The tendering of the café leases across Hampstead Heath, Highgate Wood and Queen's Park is an identified project within the Open Spaces Department Business Plan 2015/16 – 2017/18. The policy for the provision of refreshment facilities, as set out in the Hampstead Heath, Highgate Wood and Queen's Park Management Plans, remains unchanged. A report of the Open Spaces Business Plan 2016 – 2019 will be presented to this Committee at this meeting. Within our Departmental objectives our key actions in regard to the café project are to: Deliver our Programmes and Projects, some of which will contribute towards the three-year savings programme.
2. On 7 March 2016 the Hampstead Heath Consultative Committee (HHCC) received a report on the North London Open Spaces Café Tender Process. The purpose of the report was to inform and update HHCC Members on the process and progress with regard to the retendering of the Hampstead Heath cafés at Parliament Hill Fields, Parliament Hill Lido and Golders Hill Park.
3. On 14 March 2016, the HHHWQPC received a report on the recommendations for awarding leases for the five cafés, each being for a three-year term. After lengthy discussion and careful consideration, the Committee voted on the award of each lease.
4. On 4 April 2016, two petitions were handed to the Director of Open Spaces at the Irish Chamber. One petition (with 12,500 signatories) requested that "Benugo not be given the tender for the Parliament Hill Café". A similar petition was presented for Golders Hill Park Café (9,500 signatories). Copies of the petitions were also delivered to Benugo's Head Office.
5. On 6 April, a public meeting was held to discuss the Parliament Hill Café. The meeting was attended by the Chairman of the HHHWQPC and the Director of Open Spaces. Over 200 people were in attendance, including the lead petitioners, Sir Keir Starmer QC MP and the existing proprietors of the Parliament Hill, Golders Hill Park and Highgate Wood Cafés. The meeting was chaired by Councillor Sally Gimson. After statements from a lead petitioner, Sir Keir Starmer QC MP and the Chairman, Councillor Gimson invited questions from the floor and the City of London Corporation was asked to respond.
6. The public meeting challenged the process the City Corporation had undertaken, particularly what was considered to have been a lack of consultation with Heath users, and asked that the existing proprietors be permitted to continue to operate the facilities. The petitioners advised that the petitions had grown to 13,500 and 11,000 signatures respectively, and there was a request to engage with the City Corporation to find a solution.
7. At the end of the meeting, the City Corporation was asked to halt the process and to instruct Solicitors to stop work on the agreements, instead using the time to rethink and consult, as well as to meet with the lead petitioners. Having listened carefully to the concerns raised, the Chairman and Director agreed to take this request back to the City Corporation.

8. On 7 April, Benugo withdrew their bid for the three leases for cafés at Parliament Hill, Golders Hill Park and Highgate Wood.

## **Current Position**

9. In respect of the Parliament Hill Fields Lido Café, the lease awarded to Tara Kingsley (Digital Heroes) for Parliament Hill Fields Lido Café has been well received locally and the lease is currently being finalised. There are works the City Corporation needs to undertake at the Café, which are being arranged in conjunction with the City Surveyor. In the short term, Tara Kingsley is making temporary arrangements to provide refreshments to Lido and Heath users.
10. In respect of the three cafés at Parliament Hill, Golders Hill Park and Highgate Wood for which Benugo withdrew their bid, the Superintendent and the Constabulary & Queen's Park Manager following the public meeting, met with two of the lead petitioners at Golders Hill Park. The proposed way forward and outline proposals under development were discussed. This meeting was constructive and the petitioners were supportive of the City Corporation's proposals for public consultation with Hampstead Heath and Highgate Wood users.
11. The Chairman, the Director of Open Spaces and the Superintendent met five of the petitioners on 12 May.
12. The views of the HHHWQPC were sought with regard to the City Corporation's short-term options for the café facilities at Parliament Hill, Golders Hill Park and Highgate Wood. This was to allow time for further discussion and input from the Consultative Committees prior to undertaking a public consultation and Options Appraisal.
13. Members considered the recommendation to award interim leases to the current incumbents of the three cafés with a view to ensuring that the eventual leaseholders could take possession during February 2018. The HHHWQPC agreed to permit the City Surveyor to negotiate with the existing incumbents of the three cafés to renew each lease on the same principal terms as in the existing leases, with rent to be increased in line with inflation on a term expiring on 12 January 2018, in order to give time to consult the public and for Officers to prepare an Options Appraisal for each café.
14. This option provides a degree of security both to the proprietors and the City Corporation in the short term, while allowing time to complete the consultation and undertake the Options Appraisal.
15. It was agreed that Members of the Highgate Wood Joint Consultative Committee (HWJCC) be invited to attend the HHCC meeting on 27 June, to discuss the guiding principles. The Superintendent will also consult Members at this meeting about the proposed public consultation. Members of the two Consultative Committees will also be invited to nominate and agree their representatives to the CWP (see paragraphs 24-28 below).
16. The HHHWQPC suggested that criteria weightings should be established as the CWP consider the outcomes from the consultation process. Any future scoring / evaluation methodology will be weighted to reflect the guiding principles.

## The Way Forward

17. The Consultative Committees are now asked for their input on the guiding principles for the refreshment facilities.
18. The guiding principles adopted should be in the best interests of the Hampstead Heath charity and the Highgate Wood and Queen's Park Kilburn charity, and should further or support their charitable purposes (see paragraph 38 below). This would include criteria that help to preserve the environment, or improve the visitor experience, or enhance the reputation of those charities. At the same time, the City Corporation has a fiduciary duty to ensure that assets are properly managed in the financial interests of those charities. Rent from the café leases is entirely reinvested in Hampstead Heath and Highgate Wood as a vital contribution towards the cost of maintaining, protecting and conserving these Open Spaces for the public to enjoy.
19. It is therefore suggested that the guiding principles should include:
  - Ensuring high and consistent food quality.
  - Maintaining affordability of food and drinks.
  - Demonstrating the added value the cafés offer to the community, the Open Spaces, and their visitors. This could include supporting community events, employment of local staff, and providing support to the Open Spaces Learning Team to deliver the Learning Programme, (ideas for this will be developed following the consultation).
  - Ensuring sufficient capacity to cope with seasonal demands at the facilities.
  - Ensuring both fair trade and locally sourced food are provided.
  - Ensuring that menus offer variety for all users.
  - Ensuring that staff are paid at or above the London Living Wage.
  - Ensuring high Food Hygiene Rating Scheme scores are obtained and displayed publicly at the café facilities.
  - Demonstrating recycling, energy efficiency and other environmental initiatives to reduce their impact on the environment.
  - Demonstrating compliance with the City of London Responsible Procurement Strategy to procure value-for-money services.
20. In addition to the above principles, Members of the HHHWQPC also suggested the importance of the following:-
  - Mechanisms to measure customer satisfaction.
  - Knowledge of the local community.
  - Community cohesion.
  - Acceptable food hygiene rating (rating not below 4).
  - Promotion of healthy eating.
  - Provision of a safe, relaxed and familiar environment.
  - SME Businesses.

21. In addition to the guiding principles, the consultation should explore visitors' views on such topics as:
- Offering healthy food and drink choices, children's menus, "grab & go" options and a selection of main dishes.
  - The 'feel' of each location, as demonstrated by the café layout, décor and the availability of external seating, taking into account each site's location within the Open Space.
  - Consideration of new refreshment facilities at additional locations, either on a permanent or seasonal basis.
  - The quality of service, service speed and style.
  - The hours of business.
22. Following discussion and input from the Consultative Committees, the Superintendent will provide a further report to HHHWQPC Members at their meetings on 18 July and 12 September. The consultation will continue until October 2016, to ensure the results are available for the November Consultative Committee meetings.
23. A Stakeholder communication plan will be developed to ensure that there is consistent and clear communication with Hampstead Heath (including Golders Hill Park) and Highgate Wood visitors throughout the process.
24. In developing the process, two consultancy companies will be appointed. One will assist with the public consultation and at a later date another will be appointed to provide specialist catering advice.

### **Café Working Party**

25. It is recommended that the public consultation for all three leases should be co-ordinated by a CWP, which will be chaired by the Superintendent. Terms of Reference (ToR) for the CWP will be prepared by the Superintendent, for discussion and input from the HHCC and HWJCC on 27 June. The CWP will work to the proposed outline programme and within the guiding principles, once they have been established.
26. Through the Superintendent, the CWP will report to the HHCC, HWJCC and the HHHWQPC. It is proposed that membership of the CWP is as follows:
- The Superintendent of Hampstead Heath (Chair).
  - Chairman of the HHHWQPC, or their representative.
  - 2 Members of the HHCC.
  - 1 Member of the HWJCC.
  - The Constabulary & Queen's Park Manager.
  - Hampstead Heath Business Manager.
  - A Category Manager from the City of London Procurement Service.
  - A representative from the lead petitioners.
27. The HHHWQPC recommended that an additional representative of the Golders Park Café be appointed, preferably from amongst the HHCC membership or, failing that,

from amongst the petitioners. Members of the public will be admitted to these meetings; this has been reflected in the draft ToRs.

28. Where necessary, the CWP will have access to support from the City Surveyor, Chamberlains, Comptroller & City Solicitor and specialist Consultants.
29. The creation of a CWP with representation from the HHHWQPC and the HHCC and HWJCC would enable a methodology for the appointment of leaseholders to be established following appropriate consultation.

### **Timeline for consultation**

30. The Superintendent will present the outcomes from the public consultation, which will inform an Options Appraisal and a further report to the HHCC, HWJCC and HHHWQPC.
31. The programme of consultation and reporting is set out in Appendix 1.

### **Corporate & Strategic Implications**

32. The City of London Corporate Plan has three strategic aims. The delivery of this Project will meet one of those aims: provide valued services such as employment, culture and leisure, to London and the nation.
33. The City of London sets out three core values in its Corporate Plan. The delivery of this Project will aim to: provide services in an efficient and sustainable manner that meet the needs of our varied communities, as established through dialogue and consultation. The City of London Corporate Plan vision and strategic aims include; KPP2 Improving the value for money of our services within the constraints of reduced resources and KPP4 Maximising the opportunities and benefits afforded by our role in supporting London's communities.
34. The delivery of this Project meets with the Open Spaces Business Plan Departmental Objective – Embed financial sustainability across our activities by delivering identified Programmes and Projects.

### **Implications & Risks**

35. **PR implications** – A communications strategy will be developed with the Communications Team and the CWP to keep Hampstead Heath and Highgate Wood visitors informed and engaged throughout the consultation. There is a potential for further negative publicity but a media handling plan is in place.
36. **Legal Implications** – The City Corporation holds Hampstead Heath in trust for the Hampstead Heath charity and Highgate Wood for the Highgate Wood and Queen's Park Kilburn charity. The purposes of both charities involve the preservation of their respective Open Spaces for the recreation of the public. The City Corporation has statutory powers to provide refreshments to the public and to arrange for those refreshments to be provided by some other person on such terms as it sees fit.

37. In its capacity as Trustee, the City Corporation must always act in the best interests of the charity concerned. When leasing land or property belonging to a charity, the City Corporation must ensure that the terms are the best that can reasonably be obtained for the charity. However, any decision taken must also further or support the charity's purposes. The City Corporation is entitled to take into account any impact a decision may have on the beneficiaries of the charity and on public support for the charity.

38. **Financial Implications** – There is a risk that the Service Based Review savings identified for 2017/18 will not be achieved through generating additional income via the café leases. Consequently, the Superintendent may need to identify additional sources of income, or further efficiency measures.

39. The cost of engaging Consultation and a Catering Consultants will be met from the Superintendent's Local Risk Budget.

## **Conclusion**

40. The agreement of the lease extensions to the existing proprietors will ensure the City Corporation continues to provide catering facilities, while maintaining a vital income stream that contributes towards the cost of managing the Open Spaces at Hampstead Heath and Highgate Wood. Taking account of the discussions around the draft guiding principles, this will allow time to undertake both full consultation with the Consultative Committees and a public consultation. The outcomes from the consultations will inform an Options Appraisal to guide future decisions on these café leases.

## **Appendices**

- Appendix 1 – Proposed Outline Programme.
- Appendix 2 – Proposed Terms of Reference for the Café Working Group

## **Background Papers**

- City of London Responsible Procurement Strategy.
- Update on the Parliament Hill, Golders Hill Park and Highgate Wood Café leases, HHHWQP committee, 16 May 2016.

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