



Meeting of the

KING GEORGE'S FIELD CHARITY BOARD


Wednesday, 9 December 2020 at 6.00 p.m.

SUPPLEMENTAL AGENDA

	PAGE NUMBER	WARD(S) AFFECTED
3.1 Budget Update	14 - 21	All Wards

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Agenda Item 3.1

King Georges Fields Trust Board Meeting 9th December 2020	 TOWER HAMLETS
Report of: James Thomas. Children and Cultural Services	Classification: Unrestricted
Issue Title: Updates: budget, 10-year maintenance plan, summer activities, proposed new 5-a-side Astro Pitches at Stepney Green	

Special circumstances justifying urgent consideration

This report was not available for publication by the statutory publication deadline because additional information was required. It is presented for consideration at this meeting as it is not possible to defer until the next meeting. It should also be noted that the report title was made available as part of the original meeting agenda.

Lead Member	Councillor Sabina Akhtar, Cabinet Member for Culture Arts and Brexit
Originating Officer(s)	Stephen Murray. Head of Arts Parks and Events
Wards affected	All Wards
Key Decision?	No
Forward Plan Notice Published	
Reason for Key Decision	
Strategic Plan Priority / Outcome	A borough that our residents are proud of and love to live in

Executive Summary

This is to provide updates on: Budget out turn 2019-20, forecast budget for 2020-21 and independent audit of accounts.

Recommendations:

The Board is recommended to:

1. Note the final outturn budget for 2019-20
2. Note the forecast for 2020-21
3. Note update on appointment of auditor for KGFT accounts

1. REASONS FOR THE DECISIONS

- 1.1 The King Georges 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 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 a 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

2. ALTERNATIVE OPTIONS

- 2.1 There is no consideration for alternative options as no decisions are required on any of the items tabled, they are for noting only.

3. DETAILS OF THE REPORT

- 3.1 Appendix 1 details the figures for the end of financial year April 2019 to March 2020. There is an excess of spend over income of £457,577. This is largely due to increase repairs and maintenance costs plus errors regards rent payments in the previous year. Rentals and rental income are administered by Asset management. Further notes on the spreadsheet attached.
- 3.2 Appendix 2 is a budget forecast for the current year 2020-21. There is a projected excess of spend over income of £262,900. This is largely due to a drop in income due the Covid19 impact. Further notes on the spreadsheet attached.
- 3.3 The board had requested that the KGFT accounts were audited separately from the Council's general audit as has been past practice. As the Council auditors declined to carry out a separate audit we have had to secure an external auditor. We have now appointed:

Hewitt Warin
Chartered Accountants
Harlow Enterprise Hub
Edinburgh Way
Harlow
Essex CM20 2NQ

We are now in the process of providing them with the necessary information to prepare a set of accounts for 2018-19 and this will be followed by 2019-20. As this is a first for both parties we don't yet have a timetable for completion.

4. EQUALITIES IMPLICATIONS

- 4.1 Mile End Park is an important community asset that is open to all. As the population of the borough increases it, along with other parks, becomes increasingly important as a facility to support healthy living and community activity that helps promote community cohesion.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 The King Georges Fields Trust is a registered Charity and bound by the rules of the Charity Commission.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 These figures have been drafted using expenditure and income coded to the designated cost centres during the periods specified. The 19.20 excess spend includes £86.5k of depreciation that has been charged by corporate finance, this has however been funded with a matching budget allocation so the excess spend is £371.1k.
- 6.2 The current surplus held is £87k and the forecast expenditure and income for 20-21 being £262.9k if the forecast is correct this would leave a deficit on the holding account of £175.9k. Outgoings are currently being tightly controlled with only necessary expenditure being made. The current situation has severely affected the ability to generate income from the pavilions.
- 6.3 Asset management will be responsible for the collection of rents from 1 January 2021. It will be important to ascertain the current level of any outstanding rents both before and during the pandemic.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The Council is the Trustee of the Mile End Charity pursuant to the Governing Document which is a Scheme dated 28th February, 2000. The Council's Constitution establishes the King George's Fields Charity Board to administer the charities affairs and discharge the Council's trustee functions.
- 7.2 The purpose of the charity is to preserve the Park Lands in perpetuity as a memorial to King George V under the provisions of the King George's Fields Foundation. The 1965 Scheme which established the Foundation gave its purpose as "to promote and to assist in the establishment and to promote the preservation throughout the United Kingdom of Playing Fields for the use and enjoyment of the people..." Additionally, the trustees may "apply the land to such charitable purposes as are set out in the Recreational Charities Act 1958".
- 7.3 As trustees, the Board must make sure that the charity is carrying out the purposes for which it is set up, and no other purpose. Further, the Board must act in the Charity's best interests and manage the Charity's resources responsibly.
- 7.4 This report provides information to the Board so that the trustees can undertake their duties. In considering this report and its recommendations, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty).

Linked Reports, Appendices and Background Documents

Linked Report

Appendices

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

1. Draft outturn for 2019-20
2. Budget forecast for 2020-21

Officer contact details for documents: Stephen Murray. Head of Arts Parks and Events x7910 Mob 07985216304

Income and Expenditure 2019/20 KGFT Appendix 1 2019 - 2020 out turn

	Cash Limit £	Outrun £	Variance £
INCOMING RESOURCES			
Rentals	709,000	623,893	85,107
Other Lettings	284,000	279,442	4,558
Sponsorship & Donations	45,000	43,720	1,280
Multi-pitch Income	88,757	93,533	(4,776)
Other Income	75,000	71,199	3,801
Total Incoming Resources	1,201,757	1,111,787	89,970
RESOURCES EXPENDED			
Salaries	301,722	264,434	(37,288)
Employee Related Expenditure	47,600	54,434	6,834
Rent	75,900	92,482	16,582
Repairs & Maintenance	290,857	589,458	298,601
Grounds Maintenance	183,400	183,400	0
Energy & Water	63,000	44,986	(18,014)
Other Services	247,280	264,490	17,210
Communications	0	3,103	3,103
Stock & Equipment	57,200	55,824	(1,376)
Fees & Insurance	21,278	16,753	(4,525)
Total Resources Expended	1,288,237	1,569,364	281,127
Net Expenditure /(Surplus)	86,480	457,577	371,097

At the End of year 18/19 £85k was moved in to the reserve account that should have been credited to 19/20 as this related to the rent ue for Q1 of 19/20.
 This Is Pavilion income and we had a slight shall fall in achieving our targeted income
 This is Volunteer income and had a slight shall fall in achieving our targeted income
 This is Stepney green and Exceeds the income target
 £53,000 Parking, £7,500 Cross rail income £7,800 Park hire from Irvin this Budget is short by £7,800 due to only having x1 fair in MEP not x 2 in that year

£24k for Ahkel Ahmed should have been charged here but was charged to Another cost centre in error
 This is casual staff covering pavilion bookings £41k in itres plus costs £4,600 in uniform, £4,000 Staff Training, £3,300 in over time for Rangers covering events and Activities

This Overspend is a result in rent paid in 19/20 that should have been paid 18/19
 this was overspend due to some big cost items such as £21,000 for new exhibition boards for the arts pavilion, £30,00 to install drains to the front of the pavilions to prevent flooding, £75,00 in playground repairs, £103,000 to refurbish the Ecology pavilion Ventilation (a H&S requirement), decoration, power upgrades and outside lighting) £14,00 for Annual lake litter clearance, £17,000 for water feature Maintenance
 Recharge to Place clean and green for grounds Maintenance

£47,300k for Wettons cleaning, £39,300 for events and Activity, £6,600 catering for Childrens service event
 £50k for Security for Pavilions and Stepney £7,000 in fleet hire, £7,000 Waste collection for pavilions £86,000 for depreciation £14,700 for recharges for Whitehorse open space and belgrave open space £2,300 for Advertising £7,800 Materials (decal)
 This Costs relates to Promotional material for Events and Activities a budget should have been added

The net budget is for Depreciation within the other services category this was a balanced

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Income and Expenditure 2020/21 KGFT

	Cash Limit £	Actuals as at 30-Nov-20 £	Forecast £	Variance £	Comments / Answers	Cash Limit £	Actuals as at 30-Nov-20 £	Forecast £	Variance £	Cash Limit £	Actuals as at 30-Nov-20 £	Forecast £	Variance £	
<u>INCOMING RESOURCES</u>														
Rentals	709,000	206,012	726,000	(17,000)	Forecast of 726k is the actual amount due if all tenants pay there rent by March 20 and includes £53k of Parking Income for MEP Arts and Eco Pavilions Income low due to cancelled and Rescheduled bookings due to COVID 19 Community Volunteer income all bookings cancelled due to COVID 19 Stepney Green Income low due to COVID 19 General licence fees / Park Hire Low due to COVID 19	709,000	206,012	726,000	(17,000)	0	0	0	0	
Other Lettings	284,000	79,274	18,000	266,000		284,000	79,274	18,000	266,000	0	0	0	0	0
Sponsorship & Donations	45,000	0	0	45,000		45,000	0	0	45,000	0	0	0	0	0
Multi pitch Income	88,757	4,589	26,000	62,757		0	0	0	0	88,757	4,589	26,000	62,757	0
Other Income	75,000	3,000	6,000	69,000		75,000	3,000	6,000	69,000	0	0	0	0	0
Total Incoming Resources	1,201,757	292,875	776,000	425,757		1,113,000	288,286	750,000	363,000	88,757	4,589	26,000	62,757	
<u>RESOURCES EXPENDED</u>														
Salaries	301,722	202,036	300,000	(1,722)	This includes a budget for casual staff to cover pavilion bookings and Events this budget has been reduced due to the number of bookings due to COVID 19 This Cost is rental costs for the arch company for the Burdett Road Arches R&M Budget reduced and only H&S works being carried out Recharge to Place (Clean and Green Grounds Maintenance This costs include £47k for Contract cleaning, 7k for Refuse collection and £25k for Security fess for the Astro Turf leaving £1,900 for Events, Stationary and office furniture Design works for Posters Budget Reduced and only essential purchases being made Uncontrollable Costs	301,722	202,036	300,000	(1,722)	0	0	0	0	
Employee Related Expenditure	47,600	4,030	12,000	(35,600)		47,600	4,030	12,000	(35,600)	0	0	0	0	0
Rent	75,900	57,049	75,900	0		75,900	57,049	75,900	0	0	0	0	0	0
Repairs & Maintenance	286,957	206,606	279,100	(7,857)		270,000	195,448	262,500	(7,500)	16,957	11,158	16,600	(357)	
Grounds Maintenance	183,400	11,068	190,000	6,600		183,400	11,068	190,000	6,600	0	0	0	0	0
Energy & Water	63,000	0	63,000	0		57,100	0	57,100	0	5,900	0	5,900	0	0
Other Services	164,700	28,084	80,900	(83,800)		98,800	17,947	42,900	(55,900)	65,900	10,137	38,000	(27,900)	
Communications	0	(1,340)	650	650		0	(1,340)	150	150	0	0	500	500	0
Stock & Equipment	57,200	10,814	17,000	(40,200)		57,200	10,814	17,000	(40,200)	0	0	0	0	0
Fees & Insurance	21,278	9,450	20,350	(928)		21,278	9,450	20,350	(928)	0	0	0	0	0
Total Resources Expended	1,201,757	527,797	1,038,900	(162,857)	1,113,000	506,502	977,900	(135,100)	88,757	21,295	61,000	(27,757)		
Net Expenditure /(Surplus)	0	234,922	262,900	262,900	0	218,216	227,900	227,900	0	16,706	35,000	35,000		

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