

King George's Field Charity Board

**Wednesday, 29 May 2024 at 5.30 p.m.
Council Chamber - Town Hall, Whitechapel**

Supplemental Agenda

- 4 .3 King George's Field Trust update on audited accounts 21/22, current financial position, governance update, activity update and allocation of Fields in Trust grant funding (Pages 3 - 24)**

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King George's Field Trust Board Meeting 29 May 2024	 TOWER HAMLETS
Report of: Simon Baxter, Corporate Director Communities	Classification: [Unrestricted]
King George's Field Trust audited accounts, management recommendations and governance update, current financial position, activity update and allocation of Fields in Trust grant funding	

Lead Member	Cllr Kamrul Hussain, 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	N/A
Strategic Plan Priority / Outcome	N/A

Special Circumstances Justifying Urgent Consideration (also known as 'Reasons for Urgency')

The necessary clearances could not be obtained in time, however the report needs urgent consideration by the board as part of governance requirements.

Executive Summary

This report provides an update on the submission of the trust's audited accounts and annual report to the Charity Commission.

An update on the current financial position and activities delivered by the trust this financial year (2023/24) is provided as part of this report. 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 audited accounts and annual reports to the Charity Commission.
2. Review the forecasted financial position for 2023/24. (Appendix 1)
3. Review the activities update for 2023/24. (Appendix 2)
4. Note the Governance update.
5. Review the options and take a decision on the allocation of Fields in Trust funding. (Appendix 3)
6. Note, and have regard to, the Charity Commission's Public Benefit Guidance (Appendix 4)

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 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.*
- 1.4 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 be not to take regular updates to the Board for consideration, however this would go against the expectations of the Charity Commission.
- 2.3 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 King George’s Field, Mile End Charity (registered number 1077859) 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 The annual accounts and report for King Goerge’s Mile End Charity for 2021/22 have been submitted to the Charity Commission.
- 3.3 The 2022/23 accounts and annual report are in the process of being audited by Arnold Hill & Co LLP and will be brought to the board for approval in May 2024.
- 3.4 Audited accounts are not required for King George’s Field – Stepney (Tredegar Square Bow), registered number 108899, as the value is under £1 million.
- 3.5 The accounts for King George’s Field – Stepney (Tredegar Square Bow) are up to date with the Charity Commission, including for 2022/23.
- 3.6 At the 22 November 2023 Board meeting Catherine Boyd (Tower Hamlets Council officer) was nominated as the Charity Account representative. Access to the Charity Commission portal to the nominated charity contact has been processed.
- 3.7 **Appendix 1** provides an overview of the forecasted and current financial position for financial year 2023/24. The Charity’s finances have an in year deficit of £151,527, because of the following key factors:
- The main reason for the variation is attributable to back dated rent that was incurred by the Charity in financial year 23/24 for a five-year period (September 2018 to September 2023).
 - Reduced income from a tenancy based on a valuation for access rights across the charity’s land.
 - Additional pressures on repairs and maintenance budgets.

- 3.8 The Charity has reserve funds of £38,596 giving an indicative negative balance of £112,931.
- 3.9 The Charity is currently developing a mitigation plan to reduce the negative balance over the next three to five financial years. This will include identifying cost savings and opportunities for additional income generation. A plan to reduce this deficit will be brought to future Board meetings for consideration. An indicative forecast for 24/25 indicates that we will reduce the deficit by circa £40,000 in year 2024/25 through cost efficiencies and increased rental fees. The Charity is also reviewing opportunities to increase income generation through hires.
- 3.10 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.
- 3.11 **Appendix 2** provides an overview of the activities undertaken by the Charity from 1 April 2023 to 31 March 2024.
- 3.12 Stepney Green astro turf has had 3360 bookings to date with an estimated 63,700 participants 1 April 2023 and 31 March 2024.
- 3.13 **Governance update:** as part of the external audit, the independent auditors noted that the title deeds for many of the charity's fixed assets do not reflect the charity as legal owner. Work on this matter is continuing with legal investigating historical records and documentation. Contact has been made with the Land Registry regarding a simplified approach to reregistration as numerous titles are involved.
- 3.14 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. A report with options for how the funds could be used to help the charity fulfil its charitable objectives was reviewed by the Board at the 22 November 2023 meeting. Officers were asked to review the options with Board members.
- 3.15 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").
- 3.16 Fields in Trust, as Trustee of the "Charity" referenced in 3.15, 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.

- 3.17 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.
- 3.18 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 3** 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 This report provides an update on the submission of the King George's Field Trust's audited accounts and annual report to the Charity Commission along with details of its current financial position.
- 6.2 There was an in-year deficit of £152k and opening fund balances of £39k giving a negative fund balance of £113k at the end of the year. The Council have committed to ongoing financial support for the Trust and is in the process of agreeing a loan to the Trust.
- 6.3 Paragraph 3.9 sets out the recovery actions that are being undertaken regarding the negative fund balance.

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 – Indicative financial outturn position (2023-24)
- Appendix 2 – Activity update (2023-24)
- Appendix 3 – Fields in Trust allocation of grant options
- Appendix 4 - Public Benefit Guidance

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

Officer contact details for documents:

Catherine Boyd, Head of Arts Parks and Events

Appendix 1

Financial Outturn (indicative)

King George's Fields Trust 2023/2024

Table 1 below shows the indicative outturn position for King George's Fields Trust for the financial year ending 31 March 2024 against the forecast provided in February 2024 for the postponed March board meeting.

Spend/Income Category	Disclosure information	Forecast provided in February 2024	Indicative Outturn position as of May 2024
Income from donations and legacies	Donations	-363,000	- 337,785
Income from donations and legacies Total		-363,000	- 337,785
Income from charitable activities	Hire of premises - Astro turf pitches	-130,000	-150,267
	Hire of Premises-Arts and Ecology Pavilions	-299,000	-289,386
Income from charitable activities Total		-429,000	-439,653
Income from other trading activities	Car Park	-18,000	-17,735
	Licence fees		-37,476
Income from other trading activities Total		-18,000	-55,211
Investment Income	Green Bridge Shops	-490,000	-489,955
Investment Income Total		-490,000	-489,955
Total Income		-1,300,000	-1,322,604
Expenditure on charitable activities			
	Advertising		846
	Cleaning & waste management	50,000	45,715
	Depreciation	25,200	29,618
	Employee Related Expenditure	3,100	3,034
	Event and Exhibitions	30,000	29,604
	Insurance	2,000	3,607
	Rates and Water Charges	60,000	54,713
	Rent	103,000	225,638
	Repairs and Maintenance	400,000	512,161
	Revenue - Stock and Equipment	57,000	39,871
	Salaries	440,000	397,537
	Services - Professional Fees	93,200	121,454
	Transport costs	22,800	20,136
	Uniforms	3,000	84

	Subscriptions		2,259
	Loss allowance decrease		-12,145
Expenditure on charitable activities Total		1,289,300	1,474,132
Grand Total for 2023/24		-10,700	151,528
Opening Reserve Balance		-38,596	-38,596
In Year Movement		-10,700	151,528
Closing Reserve Balance		-49,296	112,931

Appendix 2 Activity Update

King George's Fields Trust, 29 May 2024

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 March 2024 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 March 2024

	Mile End Park		Whitehorse Adventure Playground	
	Sessions	Engaged with	Sessions	Engaged with
April Half term Monday 3 – 15 April 2023	6	429	7	597
May Half term Monday 29 May – 2 June 2023	3	431	2	291
Summer Holidays 2023	6	2,309	21	3,321
October Half term Monday 23 – Friday 27 October 2023	2	327	3	422
February Half term Monday 12 – Saturday 17 February	2	506	2	305
Term Time Sessions 17 April – 20 October 2023	98	1,894	60	3,143
Term Time Sessions 30 October 2023 – 9 February 2024	153	1,040	29	752
Term Time Sessions 19 February – 29 March 2024	11	316	27	1,007
<i>Total</i>	<i>281</i>	<i>7,252</i>	<i>151</i>	<i>9,838</i>

Facility	Number of sessions	Number of Participants
Mile End Corporate Volunteers	23	900
Total		

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 estimate 3360 between 1 April 2023 and 31 March 2024.

- Total participants including ad-hoc and contractual block bookings was estimate 63,700 between 1 April 2023 and 31 March 2024.

Activity overview 1 April 2023 to 31 March 2024:

During the Easter school holiday, May half-term and summer holidays, 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 Whitehouse 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.

During the school term, the team deliver daily stay and play sessions at Mile End Park and daily adventure play sessions at Whitehorse Adventure Playground.

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 31 March 2024. (As of 9 February 2024).

	Art Pavilion (Number of Days)	Eco Pavilion (Number of days)
Private Hire	29	52
Corporate	30	61
Exhibition (including set up)	108	
Private Hire (including set up and clear up)	22	19
Works / Turnaround	35	32
Closed	3	3
Totals	227	167

Included in the above activities and bookings are:

Public access days	100	15
Subsidised Hire (per booking)	10	6

	Art Pavilion	Eco Pavilion
Total Occupancy (out of 365 days)	227/365	167/365
Percentage %	62.2%	45.8%
Total occupancy for both Pavilions %	54%	
Total Activity Days in both pavilions	(394/365)	

Analysis:

The total number of days available for hire is 362*, total number of days where both pavilions were occupied is 394 which is 1.8th of an activity every day demonstrating the pavilions are operating to a high-level.

However, the total number of days available in both pavilions is 730 which equals a current occupancy rate of 54%. Whilst there is room for growth, there are factors that influence the level of bookings that can be facilitated at the venues including:

- Maintenance and repairs to the venues and assets. Both venues typically close for three to four weeks per year to enable essential maintenance and repairs to the venues (normally in January).
- Turn around between bookings to allow for cleaning etc.
- Staffing resources, with a reliance on casual staff, impacts on the ability of the charity to facilitate higher numbers of bookings. However, there is ongoing recruitment of casuals with one overall venue manager (across both venues).
- Whilst extensive marketing and promotions are undertaken, see section below, more resources for targeted marketing are required.

*Pavilions are closed Christmas Day, Boxing Day and New Years Day. Pavilions are available to hire every other day including weekends and Bank Holidays. Private hire days of occupancy are from 9am-1am and this counts as 1 day.

**Where no activity is recorded staff carry out administration tasks in event preparations, preparing and sending quotes, arranging and undertaking viewings, finance tasks etc.

Marketing and promotional activity:

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 Social Media platforms including Facebook, X/Twitter, Instagram and google.

The pavilions are promoted through external venue finders Hitched, Bridebook and Canvas Events and Art Rabbit.

Additional action being taken to increase visibility includes:

- Working with comms to consolidate all available information onto the thvenues.co.uk website and create a single landing page for clients.
- Working with hirers to provide 5-star reviews on google or hitched/bridebook platforms which increases online profile and visibility.
- Increase presence on platforms such as Asian Bride, Asian Wedding Directory.
- Commission new photography to promote corporate events as well as private hires.
- Working with customer services to design and implement an online booking a payments system.
- Identifying opportunities to create packages.
- Investigating options for increasing visibility on social media through ads.

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, London in Bloom, Historic Buildings, Met Police Magpie Weddings, Judy's Vintage Flea and Furniture Market.

We have also hosted several high-profile internal events including LBTH Civic Awards Ceremony and Children Services Cherry Blossom staff event and Tower Hamlets in Bloom.

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 for weddings, 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

Arts and Events managed activity attended by 200 over 50's.

Urban Makers 24-25 June / 25-26 November and 9-10 December

Regular Makers Market in the Ecology Pavilion supporting 200 small businesses.

Noor Aromas 3rd December Bakers and Abayas Market & 16 December Winter Market Supporting many local start up small businesses.

Sommilito Sahitya O Sangskritik Parishad Juktarajya. (The Council for Bengali Cultural Alliance UK) September 10-11

Literary and cultural festival. Showcasing Bengali performance & poetry including workshops and book fair.

Festival of Spice War Stories, 24 October-4 November 2023,

This exhibition is part of the East India Company Spice War Stories Project (1600-1625) by Brick Lane Circle.

Acme50 Supporting artists for 50 Years, 8-10 November,

This exhibition brings together archival material, artists moving image, artworks and documentation to both celebrate this history and signpost future plans.

Glasgow Girls, 18-27 November 2023

'Resist Much, Obey Little' Three women artists Rosemary Beaton, Lesley Burr and Alison Harper who were known as the Glasgow Girls. Celebrating 40 years of painting and friendship.

ELP Festival of Print, 1-10 December,

Embrace the magic of printmaking at East London Printmakers' annual Festival of Print exhibition.

3) Overview of Improvements and upgrades

Since 1 April 2023 until 31 March 2024 the Charity has welcomed 900 volunteers (21 horticultural maintenance and 2 cleaning days), with 23 sessions to support improvements to the park infrastructure and landscape including:

- Building 20 benches in several areas of the park (Haverfield and Wennington 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 and improvements to the irrigation system.
- Removal of substantial light vegetation across Mile End Park to improve sight lines (outside of the bird nesting season).
- Weeding pathways and hard standing surfaces throughout Mile End Park.
- Removal of unwanted vegetation such as dock leaves, Russian cumfrey and bramble within Mile End Park, to make areas safe addressing issues relating to ASB, rough sleeping, drug taking and other anti-social 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.
- Bulb planting sessions throughout Mile End Park.
- Litter picking across the park.
- Enhancing biodiversity by planting nectar rich perennial plants where possible and gapping up of current shrub beds as well as the re installation of a native hedge at Agnes Green

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

In addition to corporate volunteers, the trust has also been facilitating Community Payback sessions from November 2023. To date, we have had an estimated 30 sessions and total of 200 participants. Participants undertake a range of activities including horticultural maintenance, planting, litter picking, painting railings and helping to clear weeds and prune shrubs etc.

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Appendix 3

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. There is sufficient funding to cover all the proposed projects below (total £264,500), subject to board approval.

Funds can only be used to improve KGFT assets, and all schemes will be subject to contract and approval by Fields in Trust.

Proposed scheme	Estimated cost	Benefits	Considerations
Match fund practice cricket nets at a KGFT park / open space.	£20,000	Would increase the range of sporting facilities.	Working with the English Cricket Board to review suitable locations that will best service residents of Tower Hamlets. The final location needs to be flat, not cause minimal disturbance to residents and other park users. This includes considering any conflict between players and park users that may have health and safety considerations.
Stepney Green Astroturf improvements to pedestrian entrance, spectator covered area, building security and creation of a small refreshment kiosk.	£10,000 to improve the entrances and spectator covered area. £8,500 to improve building security.	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	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>£8,500 to improve accessibility.</p> <p>£20,000 to create the kiosk and create a seating area into the park.</p>	<p>shutters 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 at Wennington Green</p>	<p>£110,000 for playground 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>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>
<p>Match funding towards Playzone scheme upgrades to the artificial pitches at Mile End Park.</p>	<p>£87,500</p>	<p>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.</p>	<p>The pitches must be booked and would not be free of charge.</p>

Appendix 4 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.

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