

King George's Field Charity Board

Agenda

**Wednesday, 26 October 2022 at 7.00 p.m. or the
rise of Cabinet whichever is sooner
Room C1, 1st Floor, Town Hall, Mulberry Place, 5
Clove Crescent, London, E14 2BG**

Members:

Chair: Mayor Lutfur Rahman

Vice Chair:

Councillor Maium Talukdar, Councillor Kabir Ahmed, Councillor Ohid Ahmed, Councillor Saied Ahmed, Councillor Suluk Ahmed, Councillor Gulam Kibria Choudhury, Councillor Abu Chowdhury, Councillor Iqbal Hossain and Councillor Kabir Hussain

Co-opted Members:

Deputies:

[The quorum for this body is 3 voting Members]

Contact for further enquiries:

David Knight, Democratic Services Officer (Committee),
david.knight@towerhamlets.gov.uk
020 7364 4878

1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, E14 2BG



Public Information

Viewing or Participating in Committee Meetings

The meeting will be broadcast live on the Council's website. A link to the website is detailed below. The press and public are encouraged to watch this meeting on line.

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London Borough of Tower Hamlets

King George's Field Charity Board

Wednesday, 26 October 2022

7.00 p.m.

APOLOGIES FOR ABSENCE

1. DECLARATIONS OF INTERESTS (PAGES 5 - 6)

To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992.

See attached note from the Monitoring Officer.

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

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

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

2. MINUTES OF THE PREVIOUS MEETING(S) (PAGES 7 - 10)

To confirm as a correct record the minutes of the last meeting of the Board.

3. UNRESTRICTED REPORTS FOR CONSIDERATION

3.1 GOVERNANCE REPORT (Pages 11 - 40)

3.2 FINANCE AND ACTIVITY REPORT (Pages 41 - 52)

3.3 LEASES REPORT (Pages 53 - 76)

4. EXCLUSION OF THE PRESS AND PUBLIC



In view of the contents of the remaining items on the agenda the Committee is recommended to adopt the following motion:

“That, under the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act, 1972.”

EXEMPT SECTION (Pink Papers)

The exempt committee papers in the agenda will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please hand them to the Committee Officer present.

5. EXEMPT REPORTS FOR CONSIDERATION

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

Next Meeting of the King George's Field Charity Board

Wednesday, 25 January 2023 at 7.00 p.m. to be held in Room C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG



Agenda Item 1

DECLARATIONS OF INTERESTS AT MEETINGS– NOTE FROM THE MONITORING OFFICER

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

(i) Disclosable Pecuniary Interests (DPI)

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

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

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

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

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

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

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

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

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

Guidance on Predetermination and Bias

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

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

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

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

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to the Member's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE KING GEORGE'S FIELD CHARITY BOARD

HELD AT 6.30 P.M. ON WEDNESDAY, 6 JULY 2022

**COMMITTEE ROOM ONE - TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG**

Members Present in Person:

Mayor Lutfur Rahman (Chair)	
Councillor Maium Talukdar	(Deputy Mayor and Cabinet Member for Education, Youth and Lifelong Learning (Statutory Deputy Mayor))
Councillor Kabir Ahmed	(Cabinet Member for Regeneration, Inclusive Development and Housebuilding)
Councillor Ohid Ahmed	(Cabinet Member for Safer Communities)
Councillor Suluk Ahmed	(Cabinet Member for Equalities and Social Inclusion)
Councillor Abu Chowdhury	(Cabinet Member for Jobs, Skills, and Growth)
Councillor Iqbal Hossain	(Cabinet Member for Culture and Recreation)
Councillor Kabir Hussain	(Cabinet Member for Environment and the Climate Emergency)

Apologies:

Councillor Saied Ahmed	(Cabinet Member for Resources and the Cost of Living)
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Officers Present in Person:

Agnes Adrien	(Head of Litigation, Legal Services)
Kevin Bartle	(Interim Corporate Director, Resources & Section 151 Officer)
Catherine Boyd	Interim Head of Arts, Parks, and Events
Amy Jackson	Head of Mayor's Office - Strategy and Performance
Matthew Mannion	Head of Democratic Services
Paul Sammut	Parks Engagement and Projects officer
Judith St John	(Director, Commissioning and Culture, Children's Services)

1. DECLARATIONS OF INTERESTS

None were declared.

2. PUBLIC BENEFIT GUIDANCE

The Board received and noted the Public Benefit Guidance and how understanding public benefit helps in running the King George's Field Charity

to know what it means to be a charity, and to function as a charity should. It also helps the trustees to describe and report on their work.

3. MINUTES OF THE PREVIOUS MEETING

Agreed the unrestricted minutes of the Board meeting held on 8th March 2022 be approved for signing by the Chair as a correct record of proceedings.

4. UNRESTRICTED REPORTS FOR CONSIDERATION

4.1 King George's Field Trust Finance Report June 2022

The Board received a report that sought approval of the audited accounts for 2020/21 and the annual report for 2020/21. The main points considered may be summarised as follows:

The Board **noted** that:

- ❖ The report asked for agreement of the audited accounts for 2020/21 and the annual report for 2020/21.
- ❖ Approval is required in order for the accounts and report to be submitted to the Charity Commission, a legal duty for organisations with a turnover of more than £1million.
- ❖ The accounts for 2020/21 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 (**Appendix 1 of the report refers**).
- ❖ The report and accounts relate to the King George's Field, Mile End charity which comprises Stepney Green and Whitehorse Road Open Space.
- ❖ King George's Field Mile End had a revenue surplus for the year amounting £79,000, resulting in a carry-forward cumulative unrestricted revenue reserve of £77,000.
- ❖ King George's Field Tredegar Square charity (registered number 1088999) achieved a balanced position. There was £10,000 of expenditure for Repairs and Maintenance related to grounds maintenance.

Accordingly, the Board:

1. **Approved** the audited accounts 2020/21 for submission to the Charity Commission; and
2. **Approved** the annual report for 2020/21 for submission to the Charity Commission.

4.2 Review of Hire Charges King George's Field Trust Report

The Board considered a report seeking approval for a review of hire charges for the Arts and Ecology Pavilions to be agreed by the King George's Field Trust (KGFT) board, which would come into effect for bookings from the 1 April 2023. In addition, this report sought approval for a review of the King George's Field Trust policy regarding subsidised hire charges for use of the Arts and Ecology Pavilions by community groups. The main matters considered maybe summarised as follows:

The Board **noted** that:

- ❖ The Arts and Ecology Pavilions are a significant source of income for KGFT.
- ❖ Costs for operating and maintaining the Arts and Ecology Pavilions are increasing due to rising inflation, increased utility rates and operational costs (including staffing) and therefore a review of the current hire rates is recommended.
- ❖ The hire rates for both pavilions have not been reviewed since 2014 and are now well-established wedding and private hire venues.
- ❖ A review of corporate, commercial, and private hire rates is recommended to ensure that KGFT is offering the pavilions at appropriate hire rates for the client base and activity.
- ❖ It is proposed that the findings of the review, including any recommended increases to hire fees, are presented to the KGFT board in the autumn. If approved, any revised charges would apply to corporate, commercial, and private bookings from 1 April 2023.
- ❖ In parallel to a review of corporate, commercial, and private hires, a review of KGFT's policy on subsidised hire charges is also proposed.
- ❖ In March 2018 a policy for subsidised hire rates for community groups was approved by the KGFT board. (**Appendix 1 of the report refers**). However, since the subsidised hire policy was agreed the charity's financial position has been adversely impacted by the coronavirus pandemic. In addition, there has been a significant increase in maintenance costs in part due to increases in contractor and product costs but also due to the higher level of usage. Casual staff and security costs have also increased. Therefore, a review of the subsidised hire policy is recommended to protect the ongoing viability of the venues and to support the KGFT's revenue streams and delivery of its charitable objectives.
- ❖ If approved, the review for both the hire charges and the subsidised rates, would include reviewing: current and predicted increased utility costs, waste removal costs, enhanced cleaning costs, wear and tear maintenance, replacement (furniture and facilities) staffing and security. In addition, officers would undertake a benchmarking exercise of similar venues and consult with industry experts to ascertain current client trends and expectations regarding price and service offer.

Accordingly, the Board:

1. **Approved** a review of hire charges for the Arts and Ecology Pavilion that would be applied to bookings from 1 April 2023; and
2. **Approved** a review of KGFT's subsidised hire policy for the Arts and Ecology Pavilions.

5. EXCLUSION OF THE PRESS AND PUBLIC

As the agenda circulated contained no exempt/confidential reports and there was therefore no requirement to exclude the press and public to allow for its consideration.

6. EXEMPT REPORTS FOR CONSIDERATION

Nil items


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

With no other items for consideration the Trustees noted that the next Board meeting will be on 1st August 2022 at the Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2B.

Finally, the Chair thanked everybody for their attendance and participation in tonight's Board meeting.

The meeting ended at 6.54 p.m.

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

King George's Field Trust Board Meeting 26 October 2022	 TOWER HAMLETS
Report of: James Thomas, Corporate Director Children and Culture	Classification: [Unrestricted]
Governance Report, King George's Field Trust (KGFT)	

Lead Member	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation
Originating Officer(s)	Catherine Boyd, Head of Arts Parks and Events
Wards affected	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	[Insert date notice was published – see forthcoming decisions webpage]
Strategic Plan Priority / Outcome	[State Priority and/or Outcome from the Strategic Plan 2020-23]

Executive Summary

This report provides an update of a review by the Council's legal team of the governance arrangements for King George's Field (Mile End) charity.

There are a series of recommendations and queries raised through the review that the Board is asked to consider.

Recommendations:

The Board is recommended to:

1. Review the summary of recommendations (Appendix 1) to decide which of the recommendations should be implemented and authorise Director of Legal and Corporate Director of Children and Culture to progress these recommendations.
2. Authorise the Corporate Director of Children and Culture and the Director of Legal to apply to the Charity Commission to change the King George's Field Mile End "2000 Scheme" when it is known which recommendations referred to in Appendix 1 are to be taken forward.
3. Note, and have regard to, the Charity Commission's Public Benefit Guidance (Appendix 2)

1 REASONS FOR THE DECISIONS

- 1.1 There are two King George's Fields charities, both of which are registered with the Charity Commission: (1) The King George's Field, Mile End charity, registered number 1077859 ("the Mile End charity"); and (2) the King George's Field – Stepney (Tredegar Square, Bow) charity, registered number 1088999 ("the Tredegar Square charity"). The Council is the sole trustee of both charities pursuant to the governing documents detailed in this report.
- 1.2 On 28 February 2000, the Charity Commissioners for England and Wales ordered under the Charities Act 1993 that the charity known as King George's Field, Mile End, at Stepney in the London borough of Tower Hamlets be administered according to a specified scheme ("the 2000 Scheme").
- 1.3 Under the 2000 Scheme, the London Borough of Tower Hamlets ("the Council") is the trustee of the charity. The Council is empowered to delegate its trustee function to a committee consisting of any two or more members, provided that the Council exercises reasonable supervision over the committee. The committee must "promptly" report their acts and proceedings to the Council.
- 1.4 The 2000 Scheme refers to the objectives of the Fields in Trust, those objectives have now been updated and it is therefore desirable for the 2000 Scheme to be amended to reflect these changes. Furthermore, there may be a requirement to make additional amendments to the 2000 Scheme: please refer to Appendix 1 for more information and to the 2000 Scheme (Appendix 3).
- 1.5 The Council is the trustee of the charity and holds the land in trust for the charity.

- 1.6 The King George's Field 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 George's Field 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
- 1.7 The principal governing document of KGF Mile End is the 2000 Scheme (see 1.2 above). It is a statutory requirement to apply to the Charity Commission for any changes to the 2000 Scheme.

2 ALTERNATIVE OPTIONS

- 2.1 Not take forward any recommendations.
- 2.2 The 2000 Scheme refers to the objectives of the Fields in Trust, those objectives have now been updated and it is therefore desirable for the 2000 Scheme to be amended to reflect these changes.

3 DETAILS OF THE REPORT

Land subject to the Mile End charity

- 3.1 The Mile End charity in fact relates to two categories of land, which are described in Parts 1 and 2 of the Schedule to the 2000 Scheme (Appendix 3).
- 3.2 The first category of land, referred to in Part 1 of the Schedule, consists of park lands identified in plan KGF2, referred to in the 1997 Deed ("the Park Lands"), please refer to Appendix 4.
- 3.3 The Park Lands covered by KGF2 are as follows –
- Stepney Green Park and nearby lands, namely Belgrave Road Open Space and White Horse Road Park
 - Stepping Stones Farm
 - Most of Mile End Park
- 3.4 The second category of land, referred to in Part 2 of the Schedule to the 2000 Scheme consists of ten shop units situated beneath the 'Green Bridge' at Mile End in Stepney, in the London Borough of Tower Hamlets, on north and south sides of Mile End Road, just west of its junction with Burdett Road and Grove Road" ("the Shop Units"). The Council, as trustee of the Mile End charity, is given specific powers in relation to the Shop Units, which are referred to below.

The Objects

- 3.5 The principal purpose of the Mile End charity is to maintain the Park Lands in perpetuity as playing fields for the use and enjoyment of the public.
- 3.6 The 2000 Scheme makes it clear that the Council may also apply “the land” (assumed to be the Park Lands) to recreational purposes set out in the Recreational Charities Act 1958. The 1958 Act provided that it is charitable to provide, or assist in the provision of, facilities for recreation or other leisure-time occupation, provided that it is in the interests of social welfare and for the public benefit. In order to satisfy the requirement that the provision be in the interests of social welfare, the facilities must be provided with the object of improving the conditions of life for the persons for whom the facilities are primarily intended and either: (i) those persons have need of the facilities by reason of their youth, age, infirmity, disablement, poverty, or social and economic circumstances; or (ii) the facilities are to be available to the members or female members of the public at large.
- 3.7 The Recreational Charities Act 1958 was repealed by the Charities Act 2006. Section 5 of the Charities Act 2011 replaces the 1958 Act in its entirety. The only difference being that instead of the facilities being made available to “the members or female members of the public at large”, the facilities are now to be available to “members of the public at large or to male, or to female, members of the public at large.”
- 3.8 In summary, the Council is to keep the Park Lands in perpetuity as a memorial to King George V and may use the land –
- 3.8.1. For playing fields named and sign-posted as “King George’s Fields”.
- 3.8.2. For facilities for recreation or other leisure-time occupation, provided that it is in the interests of social welfare and for the public benefit.

Governance Considerations

- 3.9 A review of the current governance arrangements has been undertaken and a number of matters have been considered.
- 3.10 The attached summary document of this review (Appendix 1) provides suggested recommendations for consideration by the Board.

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 applicable to this report.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 This report focuses on Governance arrangements there are no direct financial implications

7 COMMENTS OF LEGAL SERVICES

7.1 Where a local authority is trustee of an asset held on charitable trust, it is essential to ensure that any asset is held and applied in accordance with the particular charitable purpose to which it was conveyed to the Local Authority.

7.2 It is the corporate body ("authority itself") which is the trustee and as such guidance from the Charity Commission states that responsibility for decision-making and oversight rests with the King George's Field Board. In exercising the obligation as charity trustee, the decision takers must ensure that their decisions are only taken on the basis on what is in the interest of the charity and not that what is in the best interest of the Local Authority.

7.3 With regards to the recommendations in Appendix 1, these will assist in ensuring good governance of the Charity and compliance with the Charity Act 2011 as referred to in paragraph 3.7 above and in the future with the Charity Act 2022. The Charity Act 2022 includes a number of changes, recommended primarily by the Law Commission. Broadly the revisions are aimed at making things easier for charity trustees by reducing bureaucracy and cost.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1 – Overview of Recommendations from the Governance Review
- Appendix 2 – Public Benefit Guidance
- Appendix 3 – Charity Commission 2000 Scheme
- Appendix 4 – KGF2 Plan

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

- None

Officer contact details for documents:

Catherine Boyd, Head of Arts Parks and Events

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Appendix 1

Overview of Key Recommendations from the Constitution and Governance Review

1. Governance Review

The Council has undertaken a review of the governance arrangements on behalf of the King George's Field Trust.

There are a number of considerations and recommendations arising from this review.

Sections 2 and 3 below provide an overview of the key findings that have informed the recommendations that have been made for consideration by the Board.

2. Recommendations for consideration

Table 1:

No:	Feedback/recommendation:	Considerations:	Recommendation/alternative options:
KGF1	Annual reports and accounts. (for noting)	This has been resolved and both charities are up to date.	No action required, the audited accounts for 2020/21 and 21/22 have been filed.
KGF2	Consider merging the two charities (Mile End and Tredegar).	<p>The Council's legal team has advised that the terms of reference confirm that KGFT administers both charities.</p> <p>The King George's Fields Trust Charity has responsibility for both the King George's Fields Mile End Charity and the Tredegar Square Charity:</p> <p>The King George's Fields charity is registered with the Charity Commission as King George's Field, Mile End Charity, registered number 1077859 and has an annual turnover in excess of £1,000,000.</p> <p>The Tredegar Square charity is registered with the Charity Commission as King George's Field – Stepney (Tredegar Square Bow), registered</p>	<p>Officers do not recommend that the charities are merged. However, it is recommended that the administration of the two charities continues to be linked and that the King George's Field Board continues to act on behalf of the Council (the Trustee) on behalf of both charities.</p> <p>S12 of the Charities Act 2011 enables an administrative linkage for connected charities if they have either the same trustees and/or they are connected because of the services they provide. A uniting direction which will allow the charities to be linked for the purposes of registration and accounting.</p>

		number 1088999 and has an annual turnover of approximately £10,000 per annum. Funds are used to upkeep the maintenance of Tredegar Square Gardens for the use and enjoyment of the public. The land associated with this charity is limited to Tredegar Square Gardens in Bow. The Tredegar Square charity is administered via the KGFT board.	
KGf3	Compulsory Purchase Order related to the Crossrail development. Now that the Crossrail project has been completed, we need to ensure that all obligations have been complied with.	In the KGFT March 2018 report, it was noted that compensation was going to be received by the council for the disruption of the Crossrail activity.	<p>All outstanding works have been completed and reinstated in accordance with the Trust's requirements. The land has been transferred back to the Trust and all obligations have been fulfilled by Crossrail.</p> <p>The works at Stepney Green were completed mid 2020 when the area of the park previously occupied by Crossrail office buildings was reinstated and handed back to the Council.</p> <p>The works carried out and financed by Crossrail included the complete reconfiguration and laying out of Stepney City Farm in its present form, the construction of replacement changing rooms and the relaying of the football</p>

			<p>pitch. These were handed over to the council over a period of years prior to the main shaft construction works taking place.</p> <p>Crossrail also paid for the relaying of the astroturf football pitch following completion of the main shaft works.</p>
KGf4	<p>Consider if independent Board member/s are appointed to ensure that the board is making decisions in the best interests of the charity, and deal with conflicts of interest should they arise.</p>	<p>The current Scheme dated 2000 was approved by the Charity Commission with the knowledge that there were no independent board members.</p> <p>Whilst the current position is that the Charity Commission prefers there to be sufficient independent board representation, it should be noted that this is not a mandatory requirement.</p> <p>The Board must act in the best interests of KGFT. Board members should put the interests of the Council (and their personal interests as councillors) entirely to one side.</p> <p>The Board has a duty to have regard to the Public Benefit guidance and take it into account when making any decisions. If the Board departs from the</p>	<p>If the Board does not wish to appoint an independent board member than the alternative would be for the Board to continue to implement the council's current constitutional arrangements with regard to any conflicts of interest that may arise.</p>

		<p>guidance, it must have good reason to do so.</p> <p>The charity's purpose must be benefit the public in general or sufficient section of the public and not give rise to more than incidental personal benefit. Any harm must not outweigh the benefit.</p>	
KG5	<p>Should there be a separate financial delegation in place for the charity to ensure that staff administer the charity effectively. Any delegation should be reviewed regularly to safeguard against fraud or financial malpractice.</p>	<p>The annual accounts are independently audited and any financial management issues or recommendations are provided as part of the audit process.</p> <p>At present the council's financial process and procedures are followed. Should the Board wish to change the levels of delegation for example, then the Council's constitution would need to be amended.</p>	<p>Board to decide if additional measures are necessary and to agree a level of authorisation for council staff to approve.</p> <p>Officers suggest, in order for the charity to be able to function on a day-to-day basis that the council's existing approval thresholds are applied but that purchases in excess of £25,000 for works or goods is brought to the board for approval.</p> <p>Alternatively, the Board could review this on annual basis against any issues / recommendations raised through the independent audit of the Charity's annual accounts.</p> <p>It is recommended that in addition to financial delegation, a wider Scheme of Delegation is implemented to outline who is delegated to take decisions on behalf of the Trust. A draft Scheme of Delegation</p>

			can be provided for consideration by the Board at the next available meeting.
KGf6	The title deeds relating to the Tredegar charity may be insufficient to establish properly charitable trusts.	The original deeds need to be traced.	Work on this matter is continuing with legal investigating historical records and documentation.
KGf7	There appears to be some uncertainty as to the Charitable objects of the charity.	<p>Officers are considering whether an application needs to be made to the Charity Commission to realign and clarify the objectives (change to the 2000 Scheme).</p> <ul style="list-style-type: none"> - Set out the charitable objects for the charity clearly - Amend to take away ambiguity as to how the land is dealt with in Part 1 (land in the Deed of Variation 1997) and Part 2 (10 shops under the green bridge). It is open to interpretation that the consent of the Charity Commission and the Fields in Trust is required for any disposal, despite Part 2 indicating that the Trust can 'let' the land in Part 2. - The Scheme makes reference to the provisions in the charitable objects of the Foundation (Fields in Trust) governing document - setting out how Part 1 land can be used, i.e. so KGFT must take into account those charitable purposes and the 	<p>The objects/purpose of the 2008 Scheme should be clarified formally.</p> <p>Any amendment to the Scheme has to be approved by the Charity Commission.</p>

		purposes set out in the relevant legislation. The Foundation updated their charitable objects in 2018, which are different to the KGFT 2008 Scheme (which were agreed by the Charity Commission).	
KGf8	Queries have been raised regarding previous disposals and compliance in relation to the Charities Act 2011.	<p>Future disposals are being looked at ensure current compliance with the relevant legislation and to include:</p> <ul style="list-style-type: none"> - Review what disposals of Part 1 Land and Part 2 Land have been since the Scheme was sealed in 2000. - Check that these comply with the Charities Act. - Check what income has been obtained from any such disposals and how it has been treated. 	<p>The review is ongoing as disposals or variations occur to individual properties.</p> <p>Internal instruction procedures have been reviewed.</p>
KGf9	The members of staff who carry out the charity's activities are employees of the Council, the costs of which are re-charged to charity and there may be a need to benchmark these costs against a third-party provider. There is no explicit charging clause in the 2000 Scheme.	<p>The Board needs to ensure that any support costs received by the council are not profit making.</p> <p>It should be noted, that should staffing be separated, the trust would not benefit from the systems and resources currently used by council staff.</p>	Consider whether to commission a consultant to undertake a review of current staffing costs against what the charity could reasonably buy from a third party.

	<p>The Council should also ensure that it does not profit from support costs, which could be considered an unauthorised trustee benefit. It may also be the case that conflicts of interest have not been appropriately managed.</p>		
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Appendix 2 King George's Field Trust (KGFT) Charity Commission's Public Benefit Guidance

Introduction

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

Public benefit: rules for charities

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

About public benefit

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

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

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

As a charity trustee, 'having regard' to the commission's public benefit guidance means being able to show that:

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

The public benefit requirement

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

The public benefit requirement has two aspects:

The 'benefit aspect'

To satisfy this aspect:

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

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

The ‘public aspect’

To satisfy this aspect the purpose must:

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

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

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

Carry out purposes for the public benefit

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

Make decisions to ensure your charity’s purpose provides benefit

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

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

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

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

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

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

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

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

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

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

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

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

Report on public benefit

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

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

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

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

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

The law relating to public benefit

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

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

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

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

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

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

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

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

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

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

Appendix3

Charity

Commission

2000 Scheme

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APPENDIX 2

The Scheme pursuant to which the Charity Commissioners of England and Wales ordered on 28 February 2000 that the charity shown as King George's Field, Mile End should be administered

De 22/21

THE CHARITY COMMISSIONERS FOR ENGLAND AND WALES

Under the power given in the Charities Act 1993

Order that from today, the

28th FEBRUARY 2000

the following

SCHEME

will govern the charity

previously known as

KING GEORGE'S FIELDS, STEPNEY (1077859)

and now to be known as

KING GEORGE'S FIELD , MILE END

at Stepney

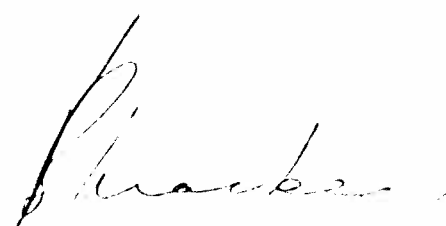
in the London Borough of Tower Hamlets

Commissioners' References:

Sealing: 33(S)/00

Case No: 152044




ASSISTANT COMMISSIONER

SCHEME

1. Definitions

In this scheme:

"the area of benefit" means Stepney, in the London Borough of Tower Hamlets.

"the charity" means the charity identified at the beginning of this scheme.

"the existing trusts" means a deed of covenant of 9th November 1965 as varied deed of variation of 29th January 1997.

"the trustee" means the trustee of the charity acting under this scheme.

"the Association" means the National Playing Fields Association (306070).

ADMINISTRATION

2. Administration

The charity is to be administered in accordance with this scheme. This scheme replaces the existing trusts of the charity.

3. Name of the charity

The name of the charity is King George's Field, Mile End.

USE OF PROPERTY

4. Use of property

The land described in part 1 of the schedule must be preserved in perpetuity as a memorial to His Late Majesty King George V under the provisions of the King George's Fields Foundation. In addition to those provisions the trustee may apply the land to such charitable purposes as are set out in the Recreational Charities Act 1958 including the construction of indoor recreational facilities provided that no application of property may be made for additional purposes without the consent of:

- (1) the Association (such consent not to be unreasonably refused or delayed); and
- (2) the Commissioners.

POWERS OF THE TRUSTEE

5. Powers of the trustee

In addition to any other powers which it has, the trustee may exercise the following powers in furtherance of the objects of the charity:

(1) The power to:

- (a) let part or parts of the land described in part 1 of the schedule to this scheme to third parties on leases not exceeding 10 years to provide to the public recreational facilities or such services reasonably ancillary to recreation as are mentioned in Article 7 of the Greater London Parks and Open Spaces Order 1967 on the terms therein mentioned; and
- (b) let the land identified in part 2 of the schedule to this scheme.

(The trustee must comply with the restrictions on disposal imposed by section 36 of the Charities Act 1993, unless the disposal is excepted from these restrictions by section 36(9)(b) or (c) or section 36(10) of that Act.)

- (2) Power to place the management of the land or any part of it in the hands of a third party contractor exercising the powers of the Council on its behalf on such terms as the Council sees fit.
- (3) Power to make rules and regulations consistent with this scheme for the management of the charity. The rules may include the terms and conditions upon which the charity's property may be used by persons or bodies other than the trustee and the sum (if any) to be paid for such use.

TRUSTEE

6. Trustee

London Borough of Tower Hamlets is the trustee of this charity.

7. Delegation to committee

The trustee may delegate the performance of any act, including the exercise of any power or discretion, to a committee consisting of any two or more members of the council of the trustee. (The trustee must exercise reasonable supervision over the committee and the committee must promptly report their acts and proceedings to the trustee.)

AMENDMENT OF SCHEME

8. Amendment of scheme

- (1) Subject to the provisions of this clause, the trustees may amend the provisions of this scheme.
- (2) Any amendment must be made by a resolution passed at a meeting of the trustee of which not less than 21 days notice has been given.
- (3) The trustees must not make any amendment which would:
 - (a) vary this clause;

- (b) vary clause 1 (Definitions);
 - (c) vary clause 4 (Use of property);
 - (d) vary clause 5(1);
 - (e) confer a power to dissolve the charity;
 - (f) enable them to spend permanent endowment of the charity.
- (4) The trustees must obtain the prior written approval of the Commissioners before making any amendment which would vary the name of the charity;
- (5) The trustees must:
- (a) promptly send to the Commissioners a copy of any amendment made under this clause; and
 - (b) keep a copy of any such amendment with this scheme.

GENERAL PROVISION

9. Questions relating to the scheme

The Commissioners may decide any question put to them concerning:

- (1) the interpretation of this scheme; or
- (2) the propriety or validity of anything done or intended to be done under it.

SCHEDULE

PART 1

The land situate at Mile End in Stepney, in the London Borough of Tower Hamlets, described in a Deed of Variation dated 29 January 1997 which was made between the National Playing Fields Association of the first part and The Mayor and Burgesses of the London Borough of Tower Hamlets of the second part.

PART 2

10 shop units situated beneath the 'Green Bridge' at Mile End in Stepney, in the London Borough of Tower Hamlets, on north and south sides of Mile End Road, just west of its junction with Burdett Road and Grove Road.

Please click on this link...

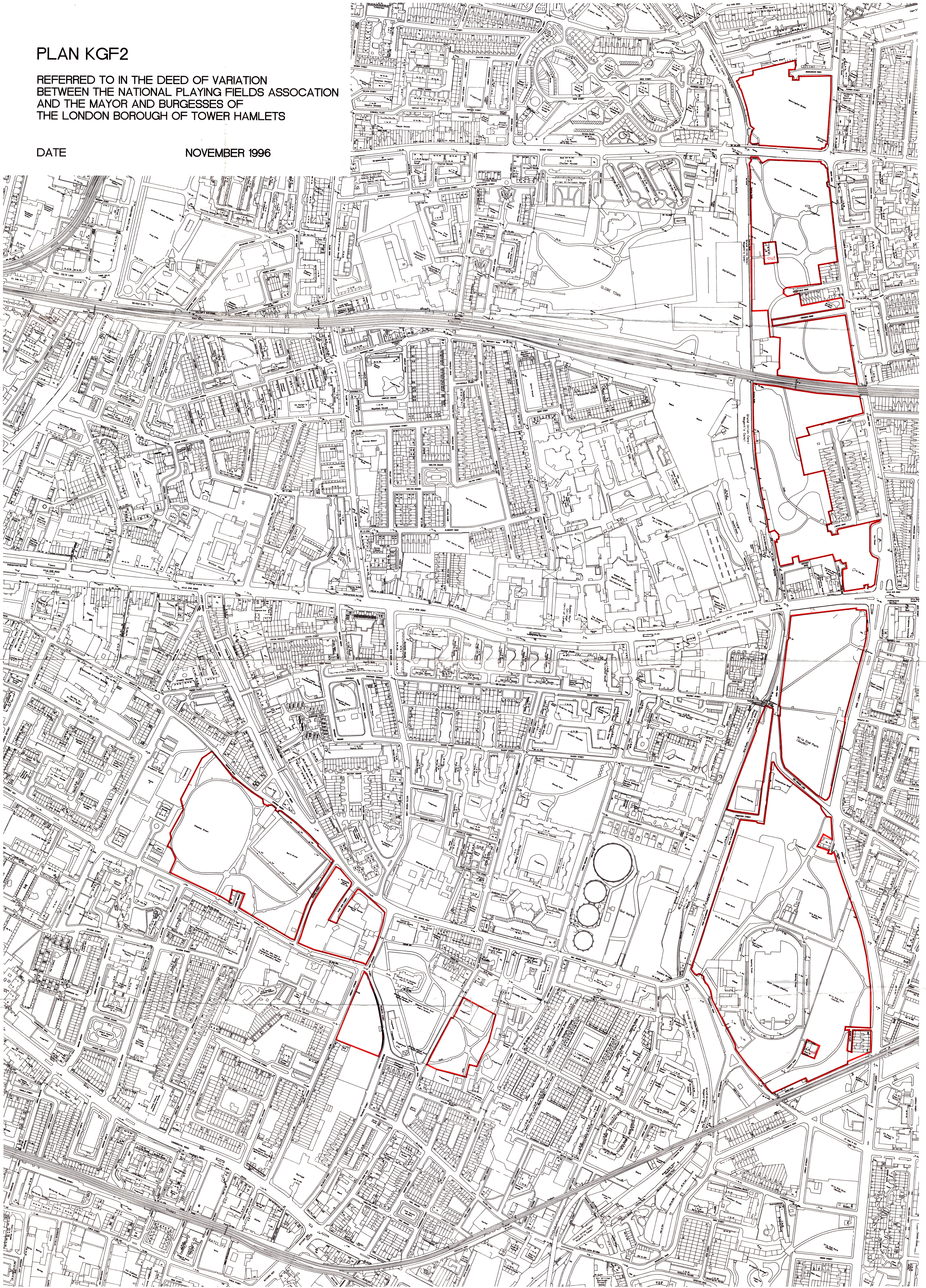
[Appendix 4 KGF2 Plan](#)

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PLAN KGF2

REFERRED TO IN THE DEED OF VARIATION
BETWEEN THE NATIONAL PLAYING FIELDS ASSOCIATION
AND THE MAYOR AND BURGESSES OF
THE LONDON BOROUGH OF TOWER HAMLETS

DATE NOVEMBER 1996



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<p>King George's Field Trust Board Meeting 26 October 2022</p>	 TOWER HAMLETS
<p>Report of: James Thomas, Corporate Director Children and Culture</p>	<p>Classification: [Unrestricted]</p>
<p>Finance and Activity Update 2022/2023, King George's Field Trust (KGFT)</p>	

Lead Member	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation
Originating Officer(s)	Catherine Boyd, Head of Arts Parks, and Events
Wards affected	All wards
Key Decision?	No
Reason for Key Decision	This report has been reviewed as not meeting the Key Decision criteria.
Forward Plan Notice Published	[Insert date notice was published – see forthcoming decisions webpage]
Strategic Plan Priority / Outcome	[State Priority and/or Outcome from the Strategic Plan 2020-23]

Executive Summary

This report provides an update on the audited accounts submission, the current financial position for King George's Field Trust (KGFT) and an update on the charitable activities carried out to date this year. The report also provides an update on grant funding from Fields in Trust.

Recommendations:

The Board is recommended to:

1. Note the submission of the audited accounts 2020/21 and annual report 2020/21 to the Charity Commission
2. Note the forecasted financial position of King George's Fields Trust for 2022/23
3. Note the 2022 activity programme update
4. Approve the transfer of funds from Fields in Trust (as a grant) to King George's Fields Trust to support the maintenance, equipping and improvement of, or the provision of facilities in Stepney Green Park or Mile End Park.

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 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 A decision to accept the transfer of funds via a grant from Fields in Trust is required from the KGFT Board.

2 ALTERNATIVE OPTIONS

- 2.1 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.
- 2.2 Not agree in principle to the grant 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 2020/21, which were independently audited by Arnold Hill & Co LLP in line with the requirements of the Charity Commission for organisations with a turnover of over £1million, were published on 11/08/2022.
- 3.2 The Charity Commission returns for King George's Field Trust Mile End Charity and Stepney (Tredegar) are currently up to date.
- 3.3 Appendix 1 provides an overview of the forecasted financial position for financial year April 2022 to March 2023. The headline figure is a surplus of £42,505. These figures are subject to change and based on current bookings and known expenditure. It should be noted that the volatility of energy prices may impact the final position, however the expected expenditure for services has been increased to allow for higher costs.
- 3.4 The major items of income and expenditure are outlined within the account as follows:
- Income - the major income items are commercial rents generated from shop lettings at Mile End Park and the hire of the Arts and Ecology Pavilions. Additional income is generated through Stepney Green astroturf pitch bookings and a corporate volunteer programme.
 - Expenditure – the main expenditure items relate to:
 - (a) Salaries – this covers the cost of the Parks Service staff who manage the facilities and provide activities.
 - (b) Repairs and maintenance – including the cost of all repairs to buildings, trees and fences, and grounds maintenance costs.

Source of income	Current £	Forecasted income 2022/23 £	Comment
Commercial Retail units	£244,909	£500,000	Forecast based on rental fees that form part of the tenant lease agreement.
Astro-turf pitch bookings	£64,634	£130,000	Forecast based on usage patterns.
Arts and Ecology Pavilions	£101,429	£270,000	Forecast based on known bookings.

- 3.5 Current projections outlined in Table 1 above are based on bookings up until 31 March 2023.

- 3.6 King George's Field Tredegar Square charity (registered number 1088999) is on course to be balanced.
- 3.7 Staff deliver a range of activities throughout the year for children, young people, and their families. The Whitehorse Adventure playground programme is targeted at children aged 8 plus and welcomes young people up to the age of 25 (with special educational needs or disabilities). Younger children (0 to 5 years) and their parent(s)/guardian(s) are engaged through activities at the Mile End Stay and Play provision.
- 3.8 In addition to the regular provision outlined in 3.7, this year the Parks team and third sector partners are delivering an enhanced programme of activities and events during the school holidays. To date over 11,000 people (mainly children, young people, and families) have participated in free activities provided through 169 sessions and events. Appendix 2 provides an overview of the activities delivered to date.
- 3.9 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").
- 3.10 Fields in Trust, as Trustee of the "Charity" referenced in 3.9, 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. It has been proposed by Fields in Trust that the entire fund is transferred as a grant to KGFT.
- 3.11 The development of two new five a side astroturf pitches was put forward to Fields in Trust (the "Trustee") to benefit from this funding. However, the KGFT Board can look to utilise this grant for an alternative project, which would need to be agreed with Fields in Trust. The grant can only be used to support the maintenance, equipping and improvement of, or the provision of facilities that are situated in the London Borough of Tower Hamlets and styled 'King George's Field' with a preference for playing fields situated in Stepney. The grant value (linked to the market indices) is approximately £265,000, which is to be used as a contribution towards the cost of this scheme.
- 3.12 Fields in Trust held a public consultation and exceptional board meeting in July 2022 regarding giving a grant to KGFT. All Trustees presents were in favour of the resolution being submitted to lift the restriction on the endowment and permit the King George's Field Stepney Charity to grant the fund in full to London Borough of Tower Hamlets. Fields in Trust will make a submission to the Charity Commission pending the outcome of the KGFT Board meeting. Fields in Trust will need to allow three months from the point

of submission for a response from the Charity Commission before the transfer can be administered.

- 3.13 In order to receive the grant, the KGFT Board must approve the transfer of funds from Fields in Trust. The transfer of the grant to KGFT will be accompanied by a grant agreement, outlining the purpose of the grant and the required evidence of completion.

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 The report recommends the board to note the submission of the audited accounts 2020/21 and annual report 2020/21 to the Charity Commission. At the 1st April 2022, the KGFT had a brought forward usable reserves amounting to £77,287.
- 6.2 The report provides an overview of the forecasted financial position for the financial year April 2022 to March 2023 (Appendix 1) - the headline figure is a forecast in-year surplus of £42,505, which once added to the brought forward surplus, will result in forecast carry-forward KGFT usable reserves of £119,792 at 31st March 2023. These figures are subject to change and based on current bookings and known expenditure. It should be noted that the volatility of energy prices may impact the final position, however the expected expenditure for services has been increased to allow for higher costs.
- 6.3 If the board Approves the transfer of funds (£265k) from Fields in Trust (as a grant) to King George's Fields Trust to support the maintenance, equipping and improvement of, or the provision of facilities in Stepney Green Park or Mile End Park, the funds will be held within the KGFT accounts dependent on the conditions of the grant.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The London Borough of Tower Hamlets is the corporate trustee of the King George's Field Trust ("the Charity"). Decisions of the Council as trustee are made by the King George Trust Board. When Councillors are sitting as Board members they must act in the Charity's best interests and manage the Charity's resources responsibly and ensure that the Charity complies with its legal obligations.
- 7.2 The Charity Commission framework for accounting by charities imposes a legal duty on the Charity to submit annual reports, accounts and returns.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1 – KGFT Financial Forecast 2022/23
- Appendix 2 – KGFT Activities Update

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

- None

Officer contact details for documents:

Catherine Boyd, Head of Arts Parks, and Events

Appendix 1

Financial Forecast

King George's Fields Trust 2022/2023

Table 1 below shows the current financial forecast for King George's Fields Trust for the financial year ending 31 March 2023.

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

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

Spend/Income Category	Disclosure info	Sum of current forecast (£)
Expenditure on charitable activities	Cleaning and waste management	57,500
	Employee Related Expenditure	1,100
	Event and Exhibitions	25,000
	Insurance	5,800
	Rates and Water Charges	46,896
	Rent	78,178
	Repairs and Maintenance	521,657
	Revenue - Stock and Equipment	6,500
	Salaries	358,384
	Services - Professional Fees	118,000
	Subscriptions	1,200
	Telephony	1,000
		1,221,215
Income from donations and legacies	Donations	-288,000
Income from charitable activities	Hire of premises - Astro turf pitches	-130,000
	Hire of Premises-Arts Pavilion	-125,000
	Hire of Premises-Ecology Pavilion	-145,000
	Urban Gym rental	-10,000
Income from other trading activities	Car Park Income	-30,000
	License Fee	-30,000
Investment Income	Green Bridge Shops	-505,720
		-1,263,720
		-42,505

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Appendix 2 Activity Update

King George's Fields Trust

1) Activities for Children, Young People and Families

The data and information provided in Table 1 is for activities held between 1 April 2022 and 28 August 2022 at Mile End Park, Whitehorse Adventure Playground and Stepney Green astroturf and via the volunteer programme. A full report will be provided to the Charity Commission as part of the charity's annual returns.

Table 1 provides an overview of the total number of beneficiaries and sessions delivered. All sessions, apart from the Astroturf usage, are free of charge.

Table 1:

Facility	Number of sessions	Number of Participants
Mile End Park	92	4,269
Whitehorse Adventure Playground	71	6,930
Mile End Corporate Volunteers	6	280
Total	169	11,479

In addition to the above, the Stepney Green astroturf has had 154 bookings to date with 2292 people using the facility.

Activity overview:

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:

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

Quotes from participants:

Mile End Park, Locksley Street Family Day

- "Everything was great, great experience for my children, big thank you"

Mile End Park, Cooking Activity

- “My children like to do baking, we join every week because when they make food, they like to try it and they enjoy it so much”,
- “Everything was really organised and really friendly staff. We loved it”

Mile End Park, Gardening Activity

- “My two year old and I stumbled upon the gardening activity today. Such a wonderful experience for him to plant and pick. Excellent opportunity for the community”



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 to 31 July 2022.

	Arts Pavilion (no of days)	Eco Pavilion (no of days)
Private Hire	15	41
Exhibition (including set up)	63	
Community days	4 event days / 46 exhibition days)	8
Public access	44	5
Works / Turnaround	4	8

Total Occupancy (out of 122 days)	97	76
Percentage %	79.50%	62.30%
Total occupancy for both Pavilions %	70.90%	

Overall bookings have started to recover from the impact of the pandemic, with a good level of private hires that contribute towards income generation for the Charity. In addition, the Pavilions have supported community and cultural activities with highlights including:

Untold 6 – 18 April

International Exhibiting group PRISM use textiles to offer a rich and dynamic interpretation of the title 'Untold' with storytelling, histories and contemporary comment.

Trellis 29 April – 8 May

Showcase of new artwork created in collaborations between artist, east London communities and UCL researchers. Accompanying programme of workshops and events.

ART MATTERS 1 & 2 Essential school of Painting 23 -28 June & 1 – 6 July

ESOP presented their annual end of year shows with some brilliant and topical artwork made during extraordinary times.

Middlesex University MA Postgraduate Exhibition 9 – 14 July

A diverse range of works from across the postgraduate community, featuring students from the MA Fine Art, MA Fine Art Printmaking and MA Photography courses.

The East End Canal Festival 16-17 July


Two days of Fun Free community activity celebrating 200 years of the regent's canal (postponed from 2020).

Urban Makers 14 – 15 May

Regular Makers Market in the Ecology Pavilion supporting small business.

Peruvian Cultural Dance Workshop 14 June, 7 July (13 Oct)

3 x Peruvian Dance workshop evenings open to all primarily to support QMUL Students but open to all.

<p>King George's Field Trust Board Meeting 26 October 2022</p>	 <p>TOWER HAMLETS</p>
<p>Report of: James Thomas, Corporate Director Children and Culture</p>	<p>Classification: Partially restricted (exempt Appendix 1)</p>
<p>Leases Update 2022/2023, King George's Field Trust (KGFT)</p>	

Lead Member	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation
Originating Officer(s)	Catherine Boyd, Head of Arts Parks and Events
Wards affected	All wards
Key Decision?	No
Reason for Key Decision	This report has been reviewed as not meeting the Key Decision criteria.
Forward Plan Notice Published	[Insert date notice was published – see forthcoming decisions webpage]
Strategic Plan Priority / Outcome	[State Priority and/or Outcome from the Strategic Plan 2020-23]

Executive Summary

This report provides an update on the lease arrangements for the King George's Field Trust (KGFT) retail and rental units, income from which supports the Charity to maintain park land and amenities for the benefit of Tower Hamlets residents. This report seeks separate decisions from the KGFT Board regarding the renewal of a Green Bridge Shop unit, the renewal of a Mile End Park lease and to consider whether a Green Bridge lease should be re-geared. In addition, the report provides an update on a Green Bridge unit that has breached its lease and the potential extension of a services contract with external agents who manage the Green Bridge tenants on behalf of Asset Management.

Recommendations:

The Board is recommended to:

1. Give authority to the Corporate Director of Children and Culture and the Corporate Director for Place to enter into and conclude the renewal of the lease with “Tenant A”.
2. Give authority to the Corporate Director of Children and Culture and the Corporate Director for Place to enter into and conclude lease renewal negotiations with “Tenant B”.
3. Give authority to the Corporate Director of Children and Culture and the Corporate Director for Place to authorise the re-gear of the lease with “Tenant C”.
4. Note the update provided in exempt Appendix 1 regarding lease breaches by “Tenant D” and authorise the Corporate Director of Children and Culture and the Corporate Director for Place to take forfeiture action against these breaches if they are not resolved.
5. Grant approval of an optional one-year extension with the external management Contractor to continue to oversee letting management arrangements on behalf of the Council and KGFT.
6. Authorise the Chair of King George’s Fields Trust to review Lease Agreements on behalf of the Board.

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 King George’s Fields Trust (KGFT) Board should consider its charity’s responsibilities as landlord of the Green Bridge retail and other commercial units. This includes ensuring that all statutory requirements are met.
- 1.4 A decision from the Board on the lease is requested in order for the Council’s Asset Management team to be able to instruct lawyers and the external agents to enter into a new lease with “Tenant A”.
- 1.5 A decision from the Board on the lease is requested in order for the Council’s Asset Management team to be able to instruct lawyers and the external agents to enter into a new lease with “Tenant B”.

- 1.6 A decision from the Board on the lease is requested in order for the Council's Asset Management team to be able to instruct lawyers and the external agents to re-gear the current lease with the "Tenant C".
- 1.7 The Board is requested to consider the lease breaches by a tenant and give authority to council officers to be able to take forfeiture action against the tenant if they fail to comply with the current Section 146 notices issued to them.
- 1.8 The current external letting management agent is contracted by the Council's Asset Management team to oversee management arrangements for retail units on behalf of KGFT and the Housing Revenue team. In order to ensure continuity of management arrangements, it is recommended that the optional contract extension of 12 months is granted.
- 1.9 The Board is required to act in the best interest of the Charity and to consider Public Benefit when taking a decision. A guide to Public Benefit has been provided to Board members (Appendix 2).

2 ALTERNATIVE OPTIONS

- 2.1 In respect of the lease renewal of "Tenant A's" lease, it is not considered there is an alternative, as the tenant has a statutory right to a new lease. Should terms not be agreed then the only way to resolve matters are by recourse to the Courts with an associated cost.
- 2.2 In respect of the lease renewal of "Tenant B's" lease, it is not considered there is an alternative option, as the tenant hold part of the property. Under the Landlord and Tenant Act 1954 they have a protected lease and therefore have a statutory right to a new lease on this element. It is sensible to also include the non-protected element, as this facilitates their full business model.
- 2.3 With respect of the lease restructure for "Tenant C", there is no obligation on the Charity to agree the reversionary lease. However, if this is not agreed there is a risk at the subsequent lease renewal that the rent will have fallen and there will be a subsequent rental fall. This will have a longer-term rental impact. The option depends on the strategic approach of the Charity and whether rent or occupation is of paramount importance.
- 2.4 The tenant detailed in Appendix 1, has not only breached the health and safety aspect of the lease on a regular basis, but is also in arrears. To date instructions have been given to serve a formal Notice warning the tenant that they are in breach, and they are to be given a period to improve matters. Should this not occur it is considered there are no other alternatives but to progress with the Forfeiture route.
- 2.5 Should this not occur then it is considered the Trust will be in breach of its obligations under its charity responsibilities.

- 2.6 Not extend the contract with the external management contract and end it in December 2022. This would then require the Council to seek alternative representation through a new tender or bring the service inhouse. This approach could lead instability to the management of the lettings as the Council does not currently have adequate inhouse resources to effectively manage the tenants, in accordance with government legislation.

3 DETAILS OF THE REPORT

“Tenant A”:

- 3.1 “Tenant A” requires a new lease and have requested a variation from their previous lease arrangements, which are outlined in exempt Appendix 1.
- 3.2 The council’s legal department is working on a draft lease together with “Tenant A’s” solicitors, which had a contractual expiration date of 11 September 2021. The tenant brought the lease formally to an end on this date by virtue of serving a S.26 Request under the Landlord and Tenant Act 1954. Negotiations have been on-going since the serving of the S.26.
- 3.3 To ratify this new lease, the Board is requested to review the proposed terms for the new lease, which are detailed in exempt Appendix 1.
- 3.4 Should matters not be agreed then this will progress towards Court considerably increasing costs and uncertainty to the charity.

The “Tenant C”:

- 3.5 “Tenant C” have requested a review of their rent and a re-gear of their existing lease arrangements. Details of the options put forward by the “Tenant C” can be found in exempt Appendix 1.

“Tenant B”:

- 3.6 The Council is required to renew the lease with “Tenant B”. The new lease will be for a period of up to ten years but may be less depending on negotiations.

“Tenant D”:

- 3.7 Asset Management’s external management agent has issued a series of Section 146 notices to a tenant located in the Green Bridge retail estate. These breaches relate to failure to pay rent and service charges in full and statutory compliancy issues.
- 3.8 As part of the S.146 Notice, the leaseholder is afforded a reasonable time to remedy the breach. Should this not occur then the next step will be to initiate Court proceedings.
- 3.9 It is considered the ongoing compliance issues are a health and safety risk to the other tenants and the tenant has received multiple notices about this from

not only council officers, but also the external agents. They have been given every opportunity to resolve matters and improve but have noticeably failed to do so. The tenant is also in arrears, and this deprives the Charity of funds to undertake its remit.

- 3.10 Should matters continue then to seek possession and remarket the unit is considered the only option under the Charity's responsibilities, with the associated costs and risk involved. However, it is considered a good location and would readily be re-let.

Extension of the current Management Services Contract:

- 3.11 The current Contractor was awarded, through a tender process, a management services contract for Mile End Road Shops and Ben Jonson Road North Shops, also known as Retail Units 1-16, 41-73 Ben Jonson Road, London, E1 4SA.
- 3.12 The Council appointed the Contractor for the provision of Estate Management Services including a treasury function in accordance with the request for Quotation issued on 18 November 2020. An external party was appointed due to a lack of adequate resources and appropriate facilities required to carry out the functions of services charges in accordance with government legislation.
- 3.13 The contract covers two areas under separate administrative ownership. Mile End Road Shops under the ownership of the King George's Field Trust and Ben Jonson Road North under the ownership of Housing Revenue Account.
- 3.14 The term of the contract is 24 months with the option for a 12-month extension. The current contract is with effect from 1 January 2021 and will terminate on 31 December 2022 if the option to extend is not taken up.
- 3.15 A number of years ago, the Council decided to tender out the management of these estates to an external management agent in order to minimise the staffing resources required from the Council and associated costs of inhouse management. Previous incumbents have included Strettons and GVA (latterly known as Avison Young).
- 3.16 The costs for the services provided by the Contractor are largely off-set by the service charges that are applied to each of the leases, which is standard practice. The costs for their services are included in exempt Appendix 1. It is likely that the Council would need to charge a higher service charge to cover internal staffing resources than those levied by a management agency who have economies of scale. Given the current cost of living and energy crisis, which will impact on commercial lettings, it is unlikely that the market would sustain higher service charges. At present each lease is charged based on their square meterage to ensure equity and transparency.
- 3.17 The outsource also provides additional accountability, with regular meetings arranged with the agent. This also enables them to provide additional tactical advice gleaned from other portfolios they are managing.

- 3.18 It should be noted that the Contractor has met their contract requirements and their performance has met expectation.
- 3.19 It is recommended allowing the contract to be extended by a further 12 month period, and to conclude the full 2+1 years of the term. Should the contract not be extended then the realistic option would be to bring the management inhouse, and this will require the necessity of hiring an additional staff member to deal with the extra work.
- 3.20 On the basis that a full-time member of staff can be identified, it is likely they would need to be at Grade M level at a cost of £54,513 plus add ons. However, there has been difficulty in filling a permanent role, and an interim surveyor would likely need to be employed, with the costs to the Council being closer to £90,000.
- 3.21 Given the potential costs of bringing any management inhouse and the current market conditions, it may be advisable to continue to use a management agent to manage King George's Fields Trust and the Council sites at Ben Jonson Road North. Should this be the preferred option, then it would be beneficial to keep Carter Jonas in contract until December 2023 (i.e. for the full term of the contract) rather than end the contact in December 2022, to give sufficient time to ensure a smooth transition.

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 The lease renewal is a statutory matter under the Landlord and Tenant Act 1954, with the tenant entitled to a new lease on market terms.
- 5.2 The Section 146 Notice is served under the Law and Property Act 1925.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report seeks approval to grant authority to the Corporate Director of Children and Culture and the Corporate Director for Place to enter into and conclude the renewal of the lease with "Tenants designated A and B", to authorise the re-gear of the lease with "Tenant C". Furthermore, the report has asked the Board to note the update provided in exempt Appendix 1 regarding lease breaches by "Tenant D" and authorise the Corporate Director of Children and Culture and the Corporate Director for Place to take forfeiture action against these breaches if they are not resolved. Finally, approval is sought to grant an optional one-year extension with the external management Contractor to continue to oversee letting management arrangements on behalf of the Council and KGFT and to authorise the Chair of King George's Fields Trust to review Lease Agreements on behalf of the Board.

- 6.2 Negotiations are on-going between Tenant A and the charity representatives on the new lease contract with no break clause with a rent chargeable of between £50k and £57.5k. The charity is working with the legal representatives of Tenant A to agree the lease agreement and to avoid court costs which could be between £20k and £30k. The rent agreed will be dated back to September 2021. This implies a reduction in charity's rental income of between £12.9k and £24.9k depending on the outcome of rent agreed. Rent payments will be switched to monthly and changes to opening hours already agreed.
- 6.3 Tenant B has asked for a one-off rent relief of £21,415 which equates to four (4) months' rent.
- 6.4 The impact of actions in paragraphs 6.2 and 6.3 above will cause a reduction in Charity's rental income between £34.3k and £46.3k. With the charity's latest financial forecast being a surplus of £42.5k, the impact of the rent reductions depending on rent agreed may swing from a surplus of £8.2k to a deficit of £3.8k in the financial year 2022/23.
- 6.5 A reversionary lease which takes effect from April 2023 with no break clause is being negotiated with Tenant C whose rent review is due in 2026. The options available are a reversionary lease contract until 31st March 2031 and 31st March 2036 with a six (6) and twelve (12) months' rent-free period which equates to £56.7k and £113.5k respectively. In order to lessen the impact to the charity's finances, the rent losses will be spread over two (2) years. The charity may opt not to enter into a reversionary lease contract however, it would have to deal with the impact of adverse market movement which would have been secured had the reversionary lease contract been secured.
- 6.6 If the charity decides to enter into a reversionary lease contract, the rent-free period over two years would also put pressure on the charity finances.
- 6.7 Tenant D has breached its lease agreement financially and in other respects. The current arrears exclusive of VAT is £37.3k. Should the process to forfeit the lease of the tenant go to court, additional costs will be incurred which with the arrears will apply further pressure on the charity's finances.
- 6.8 Carter Jonas is the management company for both Green bridge and new Ben Johnson Road shops/retail units at an annual cost of £19.5k. If this service is brought in house, it would cost the charity about £144k. Since their services have been satisfactory, it is recommended that their contract should be extended, and Finance concurs with this recommendation.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The London Borough of Tower Hamlets is the corporate trustee of the King George's Field Trust ("the Charity"). Decisions of the Council as trustee are made by the King George Trust Board. When Councillors are sitting as Board members they must act in the Charity's best interests and manage the

Charity's resources responsibly and ensure that the Charity complies with its legal obligations.

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

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1 (exempt) - Rental Concession Recommendations Green Bridge Retail Units
- Appendix2 Public Benefit Guidance

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

- None

Officer contact details for documents:

Catherine Boyd, Head of Arts Parks and Events

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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

Introduction

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

Public benefit: rules for charities

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

About public benefit

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

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

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

As a charity trustee, 'having regard' to the commission's public benefit guidance means being able to show that:

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

The public benefit requirement

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

The public benefit requirement has two aspects:

The 'benefit aspect'

To satisfy this aspect:

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

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

The ‘public aspect’

To satisfy this aspect the purpose must:

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

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

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

Carry out purposes for the public benefit

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

Make decisions to ensure your charity’s purpose provides benefit

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

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

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

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

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

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

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

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

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

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

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

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

Report on public benefit

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

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

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

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

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

The law relating to public benefit

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

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

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

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

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

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

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

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