

King Georges Fields Trust Board Meeting  
28 April 2021



**Report of** James Thomas - Corporate Director, Children and Culture

**Classification:**  
Unrestricted

### Updates for the Board

<b>Lead Member</b>	Councillor Sabina Akhtar, Cabinet Member for Sports, Culture, Leisure & Brexit
<b>Originating Officer(s)</b>	Steve Murray Head of Arts Parks & Events
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	No
<b>Reason for Key Decision</b>	This report has been reviewed as not meeting the Key Decision criteria.
<b>Strategic Plan Priority / Outcome</b>	A Borough that our residents are proud of and love to live in

### REASONS FOR URGENCY

The report was not published five clear days in advance of the meeting. This is due to the additional time required to review the report in order to provide the necessary clearances.

### Executive Summary

This report contains

1. Update on audit 2018-19 accounts
2. Correspondence from Charity Commission
3. Budget forecast for current year
4. Details on the effect of Covid19 lockdown on the KGFT lands
5. Approval for transfer of funds from Fields in Trust

### Recommendations:

The King Georges Fields Trust Board is recommended to:

1. Note the update on audit 2018-19 accounts
2. Note the Charity Commission correspondence relating to accounts
3. Note the budget forecast for current year
4. Note the details on the effect of Covid19 lockdown on the KGFT lands
5. To approve the transfer of funds from Fields in Trust to the KGFT

## **1 REASONS FOR THE DECISIONS**

- 1.1 The proposal to agree to the transfer of funds is to allow for these monies to be used for improving sports provision in Stepney Green

## **2 ALTERNATIVE OPTIONS**

- 2.1 The alternative is to leave the funds with Fields in Trust where they will remain unspent

## **3 DETAILS OF THE REPORT**

- 3.1.1 The previous practice prior to 2018/19 accounts with regard to providing the Charities Commission with audited accounts was for the Finance team to draw up end of year accounts which were then uploaded to the Charity Commission after approval from the KGFT board. The accounts would then be audited as part of the wider Council audit process. The board requested that there should be a separate audit process. The Council Auditors declined to carry out a separate audit and so an independent Auditor had to be identified.
- 3.2.1 It has taken some time to find an independent Auditor willing to undertake the work at a reasonable price. Eventually Hewit Warin Ltd were appointed (insert date) and they have given this timetable for completion of the Audit.
- Once the Auditors receive the requested documentation, they can book majority of the audit documents as in, the initial audit stage turnaround is approximately 4-6 weeks.
  - Once the initial stage is completed, the second stage is to send feedback/agenda to the trustees. The timeline on this is in the trustee's hands as to when an agenda clearance meeting can be arranged and get any remaining points cleared
  - The third stage involves the senior statutory auditor reviewing the audit file. The auditor will clear any points he raises and arrange sign off. This can take around 2-4 weeks.
  - Note this estimate was dated 17<sup>th</sup> March 2021
- 3.3.1 The Charity Commission has launched an investigation into the King Georges Fields Trust because the annual accounts have not been uploaded. (see appendices 3,4,5). They have been updated on the current work to arrange for the accounts to be independently audited.
- 3.4.1 The forecast budget outturn for the year 2020 – 21 currently stands at a Deficit of £227,900 but this may reduce by £45K if we can secure payments for test centre use. This deficit is largely caused by loss of income and we are also looking to apply to the Covid19 non-specific fund, government support grant, to obtain compensation for lost income.
- 3.5.1 **Impact of lockdown.** See appendix 1 which outlines the effect of the lockdown on KGFT lands and buildings.

3.6.1 Transfer of funds from Fields in Trust. See appendix 2. This outlines funds that currently sit with the Fields in Trust but are designated for improved sports provision to Stepney Park. The Board are asked to approve their transfer to the KGFT accounts where they can be utilised towards the cost of new five a side artificial pitch. Legal Services have asked for more information but despite chasing the Fields in Trust, we have yet to hear from them. The KGFT is able, under it's charitable objectives, to use the monies towards the cost of these new pitches.

#### **4 EQUALITIES IMPLICATIONS**

4.1 The King Georges Fields 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 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

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

6.1 There are no specific financial implications arising from the recommendations in this report. although the Audit may highlight any financial issues.

#### **7. COMMENTS OF THE CHIEF LEGAL OFFICER**

7.1 The Council is the Trustee of the Mile End Charity pursuant to the Governing Documents which is a Scheme dated 28th February 2000. The Council's Constitution establishes the King George's Fields Charity Board to administer the charities affairs and discharge the Council's trustee functions.

7,2 The purpose of the charity is to preserve the Park Lands in perpetuity as a memorial to King George V under the provisions of the King George's Fields Foundation. The 1965 Scheme which established the Foundations gave its purpose as "to promote and to assist in the establishment and to promote the preservation throughout the United Kingdom of Playing Fields for the use and

enjoyment of the people ...” Additionally, the trustees may “apply the land to such charitable purposes as are set out in the Recreational Charities Act 1958”

- 7.3 As trustees, the Board must make sure that the charity is carrying out the purposes for which it is set up, and no other purpose. Further, the Board must act in the Charity’s best interests and manage the Charity’s resources responsibly.
- 7.4 The framework for accounting by charities imposes on charities a legal duty to submit to the Commission annual reports, accounts and returns. The duty to file accounts and the trustees’ annual report with the Commission applies to all Chartered Incorporated Organisations irrespective of income and to all other registered charities whose gross yearly income exceeds £25,000
- 7.5 In the light of the duty to submit accounts, the Audit process detailed in this report complies with the relevant legislation. It is necessary to respond to the Order received from the Commission by the 4 May 2021 deadline. The appointment of an independent is in accordance with the Board decision making process.
- 7.6 Notwithstanding the fact that the Council is entitled to become a trustee of KGFT, there are certain aspects in a transferring of trusteeship that must be considered and assessed before proceeding. The main aspect that the Council will have to consider is whether this transfer may create a conflict of interest with the fact that the Council is a provider of statutory amenities and a planning authority
- 7.7 The transferring of trusteeship process sits with Fields in Trust (e.g. to ensure that the governance document permits transfer of the property, that there are no conflicts of interest connected with the transfer. There are not any legal implications for the Council at this stage to consider. Activities to the investment relates to Fields in Trust and therefore, KGFT Board cannot take any decision until Fields Trust take a position on this point.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- List any linked reports
- State NONE if none.

### **Appendices**

- **Appendix 1 report on impact of pandemic lockdown**
- **Appendix 2. Paper from Fields in Trust regards available funds.**
- **Appendix 3. Letter from Charity Commission.**
- **Appendix 4 Doc from Charity Commission**

- **Appendix 5 Doc from Charity Commission**

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

- List any background documents not already in the public domain including officer contact information.
- These must be sent to Democratic Services with the report
- State NONE if none.

**Officer contact details for documents:**

Stephen Murray. Head of Arts Parks and Events. X7910