

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>

		<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.</p>	
<p>KGf3</p>	<p>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.</p>	<p>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>	<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>
<p>KGf4</p>	<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>	
<p>KGf5</p>	<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>

		<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).</p>	
<p>KGf8</p>	<p>Queries have been raised regarding previous disposals and compliance in relation to the Charities Act 2011.</p>	<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>
<p>KGf9</p>	<p>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>	<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>	<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>

	<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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