

<p style="text-align: center;">King George's Field Trust Board Meeting 25th October 2023</p>	 <p style="text-align: center;">TOWER HAMLETS</p>
<p>Report of: Raj Mistry, Corporate Director Communities</p>	<p>Classification: [Unrestricted]</p>
<p>King George's Field Trust audited accounts 21/22, management recommendations and governance update, current financial position, activity update and allocation of Fields in Trust grant funding</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	N/A
Strategic Plan Priority / Outcome	N/A

Executive Summary

This report provides an update on the submission of the audited accounts and annual report for 2021/22 to the Charity Commission. The report includes management recommendations from the auditors in respect of the 2021/22 audited accounts for the Board's noting.

An update on the 2022/23 accounts is provided as part of this report as well as an overview of the current financial position for 2023/24 and activities update. A governance update is also provided as part of this report.

In addition, this report seeks a decision from the Board on the allocation of grant funding from Fields in Trust.

Recommendations:

The Board is recommended to:

1. Note the update on the submission of the 2021/22 audited accounts and annual report to the Charity Commission.
2. Review the recommendations by the external auditors (Management Letter) with regards to the 2021/22 accounts. (Appendix 1)
3. Note the update on the end of year accounts 2022/23. (Appendix 2)
4. Review the current financial position for 2023/24. (Appendix 3)
5. Review the activities update for 2023/24. (Appendix 4)
6. Note the Governance update.
7. Review the options and take a decision on the allocation of Fields in Trust funding. (Appendix 5)

1 REASONS FOR THE DECISIONS

- 1.1 The King George's Field Trust (KGFT) board is required to submit audited accounts to the Charity Commission for England and Wales.
- 1.2 The Council is the trustee of the Charity, and the Council is the freehold owner of the land which is subject to this report.
- 1.3 The King Georges Fields Charity Board (the Board) is established by section 3.3.12 of the Council's Constitution, which gives the Board the following functions:
 - 3.2.1 *To administer the affairs of the King Georges Fields Charity and discharge all the duties of the Council as sole trustee of the Charity;*
 - 3.2.2 *To administer the affairs and discharge the duties of trustee of such other charities controlled by the Council as the Cabinet might authorise by resolution.*
- 1.4 The Board is required to take a decision on how the funds from Fields in Trust are utilised to further support the King George's Fields Trust charitable objectives.

2 ALTERNATIVE OPTIONS

- 2.1 There are no alternatives as KGFT is a registered charity and bound by the legislation for charities to submit independently audited accounts.

- 2.2 The alternative would be not to take regular updates to the Board for consideration, however this would go against the expectations of the Charity Commission.
- 2.3 Decide not to use the grant funding from Fields in Trust. This would remove an opportunity to improve to use the funds for the maintenance, equipping and improvement of, or the provision of facilities for, any playing field situated in the London Borough of Tower Hamlets and styled “King George’s Fields”.

3 DETAILS OF THE REPORT

- 3.1 The accounts for 2021/22 have been independently audited by Arnold Hill & Co LLP in line with the requirements of the Charity Commission for organisations with a turnover of over £1million to publish audited accounts. The accounts are accompanied by an annual report, in keeping with the requirements of the Charity Commission for organisations with a turnover of over £1million.
- 3.2 The Charity Commission returns for King George’s Field Trust Mile End Charity and Stepney (Tredegar) are currently up to date.
- 3.3 The Management Report (**Appendix 1**) and audited accounts for 2021/22 relate to the King George’s Field, Mile End (charity registered number 1077859), which includes Mile End Park, Stepney Green and Whitehorse Road Open Space.
- 3.4 The preparation of the 2022/23 audited accounts and annual report must be finalised and submitted by 31 January 2024. As per the Board’s approval on 12 April 2023, external auditors Arnold Hill & Co LLP have been appointed to prepare these accounts. The Council’s finance team is currently closing down the 2022/23 accounts. Once concluded the auditors will start their audit of the accounts for 2022/23. **Appendix 2** gives an overview of the forecasted end of year accounts.
- 3.5 Income from the KGFT’s venues and astro turf is shown in the table below. The variations to income are shown in the table below between what was in achieved 2021/22 against financial year 2022/23.

Source of income	2021/22 Income £	2022/23 Income £	Variance £	Comment
Commercial Retail units (Green Bridge retail units)	£497,951	£490,522	-£7,429	
Astro-turf pitch bookings and Arts and Ecology Pavilion Hires	£253,881	£389,679	£135,798	Increase to bookings post COVID-19.

- 3.6 King George’s Field Tredegar Square charity (registered number 1088999) achieved a balanced position. There was £10,200 of expenditure for Repairs and Maintenance related to grounds maintenance.
- 3.7 **Appendix 2** provides an overview of the forecasted and current financial position for financial year 2023/24. The Charity’s finances are on course to be balanced. It should be noted that the cost of living crisis and increasing costs for goods and services may impact income and expenditure.
- 3.8 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.
- 3.9 Table 2 below provides an overview of the estimated current financial position (2023/24) in relation to income, against what was achieved in 2022/23.

Table 2:

Source of income	Actual Outturn position 2022/23 £	Forecasted income 2023/24 (as of August 2023) £	Comment
Commercial Retail units	£490,522	£490,000	Forecast based on rental fees that form part of the tenant lease agreement.
Astro-turf pitch bookings	£126,730	£128,000	Forecast based on usage patterns. Gross income from 1 April – 31 July was £46,503 and on target to reach £128,000 by end of March 2024.
Arts and Ecology Pavilions	£262,949	£292,000	Gross income from 1 April – 31 July 2023 is £143,436 and on target to reach £292,000 by end of March 2024.

- 3.10 **Appendix 5** provides an overview of the activities undertaken by the Charity from 1 April 2023 to 31 July 2023.
- 3.11 Stepney Green astro turf has had 1,133 bookings to date with 19,342 people using the facility between 1 April 2023 to 31 July 2023.
- 3.12 **Governance update:** as requested, an approach was made to the Charity Commission to explore if the funds from another trust could be utilised by the KGFT Board. This would have likely to have required a revision to “2000 Scheme”. The Charity Commission have not given approval for this to proceed. Therefore, the wider review of the “2000 Scheme” will continue without this addition.
- 3.13 At the 26 October 2022 KGFT Board meeting, the Board agreed to accept the funding from Fields in Trust to invest in improving facilities and increase use of the parks space by the public.
- 3.14 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”).
- 3.15 Fields in Trust, as Trustee of the “Charity” referenced in 3.14, have been administering an endowment for a number of years on behalf of London Borough Tower Hamlets, which they are no longer able to continue to do. Fields in Trust have proposed and confirmed with the Charity Commission that the entire fund can be transferred as a grant to KGFT.
- 3.16 The transfer of the grant from Fields in Trust to KGFT will be accompanied by a grant agreement, outlining the purpose of the grant and the required evidence of completion.
- 3.17 Officers have provided a range of options for how the funding of an estimated £265,000 could be allocated. Should the Board approve one or a combination of the options proposed, final approval would be required from Fields in Trust. **Appendix 5** provides an overview of options and estimated costs.

4 EQUALITIES IMPLICATIONS

- 4.1 The King George’s Field Trust manages lands and facilities which are open to all. Where charges have to be made, such as artificial football pitches, charges are kept at affordable levels for the local community.

5 OTHER STATUTORY IMPLICATIONS

5.1 There are no further statutory implications.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

6.1

7 COMMENTS OF LEGAL SERVICES

7.1 As trustee, the Board must act in the Charity's best interests and manage the Charity's resources responsibly.

7.2 The framework for accounting by charities imposes on charities a legal duty to submit to the Commission annual reports, accounts and returns.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- Appendix 1 – Management Letter
- Appendix 2 – End of year accounts 2022/23 forecasted outturn
- Appendix 3 – Financial forecast (2022-23)
- Appendix 4 – Activity update (2023-24)
- Appendix 5 – Fields in Trust allocation of grant options

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

- [Tower Hamlets Council - Agenda for King George's Field Charity Board on Wednesday, 26th October, 2022, 7.00 p.m.](#)
- [Tower Hamlets Council - Agenda for King George's Field Charity Board on Wednesday, 12th April, 2023, 5.30 p.m.](#)

Officer contact details for documents:

Catherine Boyd, Head of Arts Parks and Events