

COUNCIL CHARITABLE LAND – ANNUAL OPERATIONAL REPORT

1/4/15 to 31/3/16

1.0 INTRODUCTION

- 1.1 The Council being a trust corporation, by virtue of the Local Government Acts, is the Trustee of the Charities mentioned in Section 2 of this report and is appointed the Trustee pursuant to Section 210 of the Local Government Act 1972 by virtue of being the statutory successor to the Cuckfield Urban District Council, the Cuckfield Rural District Council, the Burgess Hill Urban District Council and the East Grinstead Urban District Council.
- 1.2 The trustees of all registered charities in England and Wales are required by Section 162 Charities Act 2011 to prepare an annual report containing the information required by the Charities (Accounts and Reports) Regulations 2005 regarding the activities of the charity in the preceding financial year.
- 1.3 The Council as Trustee comprises all the Members of the Council, who by virtue of their office as Members of the Council are the managing trustees of the Charities mentioned in Section 2 of this report. Members of the Council receive specific training on their roles and responsibilities as Charity Trustees as part of their Member training. The names of members of the Council holding office for the period 1st April 2015 to 31st March 2016, the period for which this report relates, who have served as a charity trustee are set out in the table below:

Councillor Peter Reed (Chairman)
Councillor Bruce Forbes (Vice-Chairman)

Councillors

John Allen	Sandy Ellis	Norman Mockford
Jonathan Ash-Edwards	Steven Hansford	Pru Moore
Andrew Barrett-Miles	Ginny Heard	Howard Muddin
Edward Belsey	Christopher Hersey	Kirsty Page
John Belsey	Margaret Hersey	Geoff Rawlinson
Margaret Belsey	Colin Holden	Robert Salisbury
Liz Bennett	Anne Jones, MBE	Linda Stockwell
Anne Boutrup	Chris King	Dick Sweatman
Pete Bradbury	Jim Knight	Mandy Thomas-Atkin
Heidi Brunsdon	Jacqui Landriani	Colin Trumble
Kevin Burke	Andrew Lea	Neville Walker
Cherry Catharine	Anthea Lea	Garry Wall
Richard Cherry	Andrew MacNaughton	Anthony Watts Williams
Rod Clarke	Bob Mainstone	Norman Webster
Phillip Coote	Gordon Marples	John Wilkinson
Ruth De Mierre	Gary Marsh	Peter Wyan
Tony Dorey	Peter Martin	
David Dorking	Edward Matthews	

- 1.4 Since an Annual Operational Report on the activities of the Charities mentioned in Section 2 of this report and the Accounts of the Charities mentioned in Section 2 of this

report must be submitted to, considered and approved by the Members sitting as Charity Trustees and not as Members of the Council, it is necessary to call a special meeting of the Members of the Council to sit as the Charity Trustees.

- 1.5 All of the Charities mentioned in Section 2 of this report are unincorporated associations and their principal office is Mid Sussex District Council, Oaklands, Oaklands Road, Haywards Heath, West Sussex RH16 1SS.
- 1.6 The Council's Chief Executive, Kathryn Hall, was the Chief Executive of the Charities mentioned in Section 2 of this report for the period covered by this report and the routine operational management of the Charities is delegated to and shared by the Council's Head of Leisure and Sustainability and the Council's Corporate Estates & Facilities Business Unit Leader. Any major operational management decisions that might affect the interests of the Charities are made by the Charity Trustees.
- 1.7 The Charities' solicitor is the Solicitor to the Council, their bankers are the Lloyds Bank and Mr Hugh Barron (CPFA) independently examines their Accounts.
- 1.8 This report provides a review of the operational activities of the Charities managed by the Council and a statement of each charity's financial affairs for the period 1st April 2015 to 31st March 2016. It also updates charity trustees on current operational issues and seeks authority for some of the planned changes. A copy of the Accounts for each charity is annexed to this report and together they comprise the Charity's Annual Report and Accounts.

2.0 CHARITIES OPERATIONAL REPORT

2.1 General

- 2.1.1 Project work on these sites have been directed at maintaining the quality of these facilities and securing their income generating capacity to offset the costs of providing these publicly accessible open spaces and their facilities.

2.2 Beech Hurst Gardens, Haywards Heath – Charity No: 305202

- 2.2.1 The Charity was constituted by a Declaration of Trust dated 2nd March 1950 when Gardens were gifted to the Council's predecessor, the Urban District Council of Cuckfield, by the trustees of the late William Johnson Yapp to be administered by the Council upon charitable trust.
- 2.2.2 The object of the Charity is the provision of a public park and recreation ground for the benefit of the inhabitants of Haywards Heath. The trustees powers of management are very restrictive and are limited to providing facilities for the use and enjoyment of the inhabitants of Haywards Heath for educational, scientific, cultural or recreational purposes and for any of the charitable purposes set out in section 4 of the Physical Training and Recreation Act 1937 and not for any purposes that are not charitable. By virtue of a Scheme made by the Charity Commissioners on 1st March 1996, the Council now has the power, subject to complying with charity law and the prior written consent of the Charity

Commissioners, to sell or let part of the Charity's property provided that this will not unduly interfere with the objects of the Charity.

- 2.2.3 These gardens represent a major park for the town of Haywards Heath, while attracting visitors from outside the district. Regular maintenance has provided a high quality facility. A Steering Group for the gardens has now been in existence for many years. The site received another 'Green Flag' award in July 2015 and has been formally judged in June 2016.
- 2.2.4 The eleventh year's trading figures for the Family Restaurant produced a turnover rent of £16,048 that was received in addition to the recently reviewed £47,037 base rent.
- 2.2.5 The income generated and expenditure incurred at this site is split between restricted and unrestricted funds the former relates to the cottages, and restaurant facility, with the sporting facilities being unrestricted funds. Total income generated from petanque, events, tennis, rent from the cottages, leases, and licences (including the restaurant), on the site totalled £106k. This sum includes supplementary rental income as detailed in paragraph 2.2.4 of this report. Overall running costs excluding depreciation amounted to £60k of which £55k related to buildings and ground maintenance costs with the rest being utilities expenditure. The surplus has increased by £46k and gives a revised amount of £125K, currently shown as a Debtor balance.
- 2.2.6 At the meeting of the Charity Trustees held on 15th April 2015, the Charity Trustees considered a report on the terms of the proposed catering concession at Beech Hurst Kiosk and authorised the Charity's Solicitor to grant a 2 year lease to the successful bidder with a licence to be issued in the interim to enable the catering concession to operate while the detailed lease is settled with the operator. A catering concession has been operating from Beech Hurst Kiosk since 1st June 2015 and a two-year lease was issued to the operator, Ms Joanna Collins, on 31st March 2016 at a rental of £4,200 p.a.
- 2.2.7 At the meeting of the Charity Trustees held on 22nd July 2015 approval was given for Officers to explore, with the Sussex Miniature Locomotive Society the feasibility of a visitors/education centre. Progress has been made to identify a suitable location and type of building. A further report will be submitted when a project plan is sufficiently advanced to demonstrate that the project is viable and can be delivered.
- 2.2.8 A small working group of Officers has been established to progress the concept of an art trail at this site. The group has representation of the local ward councillor to enable feedback to the Haywards Heath Art CIC,
- 2.2.9 Approval is sought to accept the agreed construction sum and install a new access path on the trust land to ensure it complies with acceptable standards for a path in the public domain.
- 2.2.10 *Four* of the five cottages were let out during the year, generating a rental income of £42,000. The remaining cottage required refurbishment work to the plumbing, electrics, and damp proofing internal walls. These works are now completed and terms have been agreed with a tenant to lease the property which will generate additional revenue of £10,800 p.a. once let.
- 2.2.11 The next programme of planned work includes a complete external refurbishment of all five cottages, to repaint all exterior surfaces, replace old singular glazed windows and to generally refresh the exterior of the cottages. The pre-tender estimates suggest that this

work would be in the region of £15,000, however, this would reduce the need for reactive maintenance and repairs.

2.3 Richard Worsley Recreation Ground, Cuckfield (known as Cuckfield Recreation Ground) – Charity No: 206789

2.3.1 The Charity was constituted by Conveyance dated 1st July 1920 when the Park was gifted to the Council's predecessor, the Urban District Council of Cuckfield, by Frances Pendleburg Worsley to be administered by the Council upon charitable trust.

2.3.2 The object of the Charity is the provision of a Public Recreation Ground for the use and benefit of the inhabitants of the former Urban District of Cuckfield and the Parish of Cuckfield Rural, and as a perpetual memorial to her late husband, who died on the 9th November 1916, and as a memorial to those who gave their lives in the Great War 1914-18. The Council's powers of management are restricted to using the property for charitable purposes. By virtue of a Scheme made by the Charity Commissioners on 15th May 2000, the Council now has limited power, subject to complying with charity law and the prior written consent of the Charity Commissioners, to let part of the Charity's property provided that this will not unduly interfere with the objects of the Charity.

2.3.3 The grounds to this popular and well used venue were regularly maintained. In total income of £5k was generated in 2015/16 mainly from pitch and event hiring and ground rental for the tennis pavilion and courts. The income generated contributed to the grounds maintenance and upkeep of the pavilion, playgrounds and paddling pool expenditure of £29k

2.4 Fairfield Recreation Ground, Burgess Hill – Charity No: 305187

2.4.1 The Charity's property comprises the eastern end of the recreation ground. The Charity was constituted by Conveyance dated 1st October 1891 when the Park was gifted to the Council's predecessor, the Burgess Hill Local Board, by the Churchwardens and Overseers of the Parish of Clayton to be administered by the Council upon charitable trust. The Charity was enrolled on the books of the Charity Commissioners under the Mortmain and Charitable Uses Act 1888.

2.4.2 The object of the Charity is the provision of a place of exercise and recreation for the benefit of the inhabitants of the Parish of Clayton (now part of the Parish of Hassocks) and the neighbourhood. The Council's powers of management are restricted to using the property for charitable purposes within the meaning of the Recreational Charities Act 1958 now the Charities Act 2011.

2.4.3 There has been no change to the charity section of the site. The grounds were regularly maintained.

2.4.4 The property comprises a popular public recreation ground on which is located a drained football pitch. Regular maintenance by the Council has provided a high quality facility. This continues to be used regularly by sports clubs generating income of £3k, with expenditure of £10k for sports pitch maintenance and associated facility running costs.

The Trustees of Burgess Hill Model Railway Club, who currently lease the old pavilion within the park, have agreed provisional terms with Council to enter into a lease for a term of 21 years at a rent of £400 p.a. with a 3 yearly rent reviews. The lease will be contracted out of the Landlord and Tenant Act 1954. The Charity is asked to note and approve the recommendations to enter into this lease.

2.5 Public Open Spaces, Lucastes Avenue Haywards Heath – Charity No: 233890

2.5.1 The land was gifted to the Council's predecessor, the Urban District Council of Haywards Heath, for use as public open space in perpetuity by a Conveyance dated 9th January 1932. The Charity was constituted by an Order of the Secretary of State for Education and Science made on 26th January 1965 pursuant to section 18 of the Charities Act 1960 and the land was declared a charitable foundation, and the Cuckfield Urban District was appointed Charity Trustee.

2.5.2 The object of the Charity is the provision of public open space for the enjoyment of the inhabitants of Haywards Heath.

2.5.3 The land comprises mainly roadside grass verges and woodland belts at the eastern end in Lucastes Avenue, which are regularly maintained by the Council, at a cost of £351. It has no income generating potential.

2.6. Ashurst Wood Recreation Ground, East Grinstead – Charity No: 305162

2.6.1 The Charity was constituted by a Conveyance dated 22nd September 1954 when the Park was gifted to the Council's predecessor, the Urban District Council of East Grinstead, by the Trustees of Ashurst Wood Recreation Ground.

2.6.2 The object of the Charity is the provision of the open space for the recreation of adults and as a playground for children and youths of the village of Ashurst Wood as public open space. The Council's powers of management are restricted to using the property for charitable purposes within the meaning of the Recreational Charities Act 1958 now the Charities Act 2011.

2.6.3 The recreation ground comprises a number of recreational facilities including a children's playground. The soccer pitches continue to be very well used. All facilities were regularly maintained.

2.6.4 £2k income was received for football pitch and pavilion hire. The income contributed towards expenditure of £21k for grounds and general upkeep of the facilities.

2.7 St Johns Park, Burgess Hill – Charity No: 305189

2.7.1 The Charity's property comprises only the eastern half of the park. The Charity was constituted by a Conveyance dated 24th April 1891 when the Park was gifted to the Council's predecessors, the Burgess Hill Local Board, upon charitable trust.

2.7.2 The object of the Charity is the provision of a Public Park and Pleasure Ground for the benefit of the inhabitants and visitors to St John's Common. The Council's powers of management are restricted to using the property for charitable purposes within the meaning of the Recreational Charities Act 1958 now the Charities Act 2011.

- 2.7.3 The grounds of this popular park for Burgess Hill were regularly maintained.
- 2.7.4 Income of £13k was generated in 2015/16 mainly from cricket pitch, event, and pavilion hire. This contributed towards expenditure of £48k for grounds and general upkeep of the facilities.
- 2.7.5 The refreshment kiosk within the pavilion was also operated again during the summer and generated £264 income over this period, included in the income in paragraph 2.7.4.
- 2.7.6 The Council has been working with the all the various occupiers/hires to develop a mutually beneficial model which allows for the reasonable recovery and sharing of maintenance costs. The Council has so far agreed terms with Burgess Hill Cricket Club for a 10-year lease of part of the pavilion, the practice nets area and the wicket area. Under the terms of the lease, the Club will bear all maintenance responsibility for areas which it exclusively occupies, and the Council will bear a proportion of the costs relating to common areas. The Solicitor to the Council has been instructed to formalise this agreement.

2.8 Public Walk and Pleasure Ground, Lindfield (known as West Common) Charity No: 305324

- 2.8.1 The land was acquired by the Council's predecessor, the Urban District Council of Cuckfield pursuant to section 164 of the Public Health Act 1875 and constitutes public open space. The Charity was constituted when the land was enrolled on the books of the Ministry of Education pursuant to section 6(2) of the Mortmain and Charitable Uses Act 1888 and section 1 of the Mortmain and Charitable Uses Act Amendment Act 1892.
- 2.8.2 The object of the Charity is the provision of a Public Walk and Pleasure Ground pursuant to section 164 of the Public Health Act 1875 for the benefit of the local inhabitants of Lindfield. The Council's powers of management are restricted to using the property for charitable purposes within the meaning of the Recreational Charities Act 1958 now the Charities Act 2011.
- 2.8.3 This land forms a linear open space surrounded by busy public highways with little income generating potential. The site continues to be regularly maintained, at a cost of £821.
- 2.8.4 A plan for bee friendly wild flower mixes is being produced for consultation with the residents adjacent to the land. If the scheme is well received it is intended to install the wild flower areas during the spring of 2017.

2.9 Brooklands Park eastern end (unregistered charity)

- 2.9.1 The Charity's property comprises only the eastern half of the park. The Charity was constituted by a Conveyance dated 4th July 1906 when the land was gifted to the Council's predecessors, the East Grinstead Urban District Council to be held upon trust for the purpose of providing a public park and recreation ground.
- 2.9.2 The object of the Charity is the provision of a Public Park and Recreation Ground for the benefit of the inhabitants East Grinstead, the neighbourhood and the public generally. The Council's powers of management are restricted to using the property for charitable purposes within the meaning of the Recreational Charities Act 1958 now the Charities Act 2011.

2.9.3 The grounds of this popular park for East Grinstead were regularly maintained, at a cost of £3,833.

2.10 John Pears Recreation Ground (Unregistered charity)

2.10.1 As a result of meetings with the Parish Council and recent legal advice with regard to the status of this park it has now been established that the park is held on charitable trust and as such there are no separate charity accounts but this will be rectified in the next annual operational report.

2.10.2 John Pears Recreation Ground was gifted to the Council by the Pears family in 1974, upon the death of Mr John Pears, a long standing resident of Ashurst Wood. His wife Mrs Molly Pears continued to oversee the development of the recreation ground as part of a management committee with the District and Parish Council's. Since her death the field has been continued in charitable trust status and is being included into this report as an item.

2.10.3 The object of the Charity is the provision of a Public Park and Recreation Ground for the benefit of the inhabitants East Grinstead, the neighbourhood and the public generally. The Council's powers of management are restricted to using the property for charitable purposes within the meaning of the Recreational Charities Act 1958 now the Charities Act 2011.

2.10.4 Ashurst Wood Village Council has planning permission for the installation of a ball wall and the lease for them to proceed with the project will be in place for them to have the facility available for the school summer holiday. The Agreement for Lease and the Lease to the Parish Council for the ground, at a rent of £200 p.a., is being dealt with by The Solicitor to the Council and will be completed within the required timescale.

2.10.5 The Parish Council path project is progressing. They have appointed a contractor and Landscapes will be monitoring installation.

2.10.6 The grounds of this popular park for Ashurst Wood were regularly maintained at a cost of £17k and provides an income of £4K.

3.0 CHARITIES ACCOUNTS

3.1 From 1st March 1996 new reporting regulations came into effect such that from the financial year 1996/97, the Council, as Charity Trustees is obliged to complete annual returns for each of the managed Charities under its control. The accounts are attached as appendix 1 to this report. They set out the details of income and expenditure for each Trust Site for the financial year commencing on 1st April 2015 and ending on 31st March 2016.

3.2 The Charity Commissioners requested the 2000/2001 accounts for Beech Hurst Gardens, Fairfield Recreation Ground, Richard Worsley and St Johns Park Charities were independently examined by Hugh Barron (CPFA), a qualified accountant experienced in the independent examination of Charity Accounts, on behalf of the Council. His report recommended that the accounts of the Charities administered by the Council should be prepared on an accruals accounting basis. The appendix attached details the financial

affairs for each Trust for the financial year commencing on 1st April 2015 and ending on 31st March 2016 in that format. The accounts of those Charities with income or expenditure that exceeds £100,000 are subject to independent examination. However, the Council has for the sake of consistency elected to have all the Charities accounts independently examined and the accounts for the financial year 2015/16 were examined by Hugh Barron (CPFA) in June 2016. His reports on the accounts for each Trust are attached to the end of the accounts.

3.3 The returns to the Charity Commission will be completed on the basis of these figures. In line with recommended practice the Trust Fund Assets are no longer consolidated within the balance sheet in the Council's Statement of Accounts.

3.4 Trustees should note that in the case of any charity where the charity's expenditure exceeds its income and that the shortfall is met from the Council's own resources.

4. FINANCIAL IMPLICATIONS

4.1 All income and expenditure shown in the 2015/16 Charity Accounts were accommodated within the 2015/2016 Revenue Budget.

5. RISK ANALYSIS

5.1 By compiling detailed annual operational and financial reports the Trustees are minimising their risks of not complying with current legislation and Charity Commission requirements. This report will form part of the Annual Returns for each Charity referred to in the report.

6.0 CONCLUSION

6.1 The trust property has been held and maintained satisfactorily during the period 1st April 2015 to 31st March 2016. However, further consideration is required for income generation at all sites to help aid sustainability and raise quality.

7.0 RECOMMENDATIONS

The Charity Trustees are recommended:

7.1 To note and agree the contents of this report and approve the Charities' Accounts for 2015/2016.

7.2 To consider the requests and approve the proposals set out in the report in respect of the following specific charities;

a) Beech Hurst Gardens

- Report back to a future meeting of the Trustees on specific detailed terms about the Sussex Miniature Locomotive Society proposal.
- Report back to a future meeting of the trustees on specific detailed terms about the art trail.

b) West Common

- Report back to a future meeting of the trustees on specific detailed terms for the development of a "bee friendly" wild flower area to be established in spring 2017.

- c) John Pears Recreation Ground
- Authorise the release of S106 funds for MSDC contribution to the project.
 - Report back to a future meeting of the trustees on specific detailed terms for the section of the path crossing John Pears Recreation Ground.

BACKGROUND PAPERS:

Leisure and Sustainability, Property, legal and finance files

ENVIRONMENTAL IMPLICATIONS STATEMENT:

This report raised no environmental implications.

LIAISON WITH LOCAL COUNCILS:

No Town or Parish consultation has taken place for the purposes of this report; however consultation takes place for all major works and new initiatives.

COMPLIANCE WITH CODE OF PRACTICE ON COMMITMENTS:

All costs and income relating to charitable land were accommodated within the 2015/2016 Revenue Budget.

**Charity Accounts
2015/16**

Mid Sussex District Council as Charity Trustees of:

Beech Hurst Gardens
Ashurst Wood Recreation Ground
Richard Worsley Recreation Ground
St John's Park
Fairfield Road Recreation Ground
Lucastes Avenue Open Space
West Common Public Walk and Pleasure Ground
Brooklands Park
John Pears Recreation Ground