

6. COUNCIL CHARITABLE LAND – ANNUAL OPERATIONAL REPORT

1st April 2016 to 31st March 2017

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.
- 1.2 The trustees of all registered charities in England and Wales are required to prepare an annual report 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. The names of Members of the Council who have served as a charity trustee during the period of this report (1 April 2016 to 31 March 2017) 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 Mundin
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 At the meeting on 27th September 2017 Members of the Council will sit as the Charity Trustees and consider this report and a further report concerning St John's Park, Burgess Hill.
- 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. The Council's Chief Executive, Kathryn Hall, was the Chief Executive of the Charities mentioned in Section 2 of this report for the year

2016/17. Any major operational management decisions that might affect the interests of the Charities are made by the Charity Trustees.

- 1.6 The Charities' solicitor is the Solicitor and Head of Regulatory Services, Tom Clark, their bankers are the Lloyds Bank and Mr Hugh Barron (CPFA) independently examines all their Accounts.
- 1.7 This report provides a review of the operational activities of the Charities, and a statement of each charity's financial affairs for the period 1st April 2016 to 31st March 2017. It updates the trustees on current operational issues and seeks authority for some 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 The objective here is to maintain the quality of the facilities whilst securing their income generating capacity to offset the costs of providing these publicly accessible open spaces and facilities.

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

- 2.2.1 The Charity was constituted when the 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.
- 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 been in existence for many years. The site received another 'Green Flag' award in July 2016 and has been formally judged in June 2017 and the outcome is awaited.

Finances

- 2.2.4 The thirteenth year's trading figures for the Family Restaurant produced a turnover rent of £16,024 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 and income in 2.2.4 above), on the site totalled £126k. Overall running costs excluding depreciation amounted to £119k of which £116k related to buildings and ground maintenance costs, with the rest being utilities expenditure. Thus the surplus carried forward for this Charity has increased by £7k and gives a revised amount of £132K, see Appendix 1.

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, Ms Joanna Collins, commencing on 31st March 2016 at a rental of £4,200 p.a. This has completed and the kiosk is up and running and the Tenant appears to be trading well. Negotiations for a new lease will start imminently.

Attractions

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. The Society has submitted its proposal to establish a Beech Hurst Learning Centre, to encourage young people to get involved with science and technology through active and interactive displays of miniature steam locomotives. The Society wishes to start engaging the public and other stakeholders to commence fundraising activities for the project, the costs of which is estimated by the Society to be in the region of £200,000.

2.2.8 Such a Centre will need to be sited on land in addition to the Society's current holding. If this proposal proves viable a further report on a proposed leasehold disposal will be submitted for the managing Trustee to consider.

2.2.8 A small working group of Officers has been established to progress the concept of an art trail in the Gardens. The group includes representation from District Councillors to enable feedback to the Haywards Heath Art CIC. The project will require commissioning artists and a further report will be made when a suitable concept plan has been developed for each piece of art – recommendation 2(a)(ii) refers.

2.2.9 There has also been discussion regarding installing a new access path on the trust land to ensure it complies with acceptable standards for a path in the public domain. A costed scheme will be presented to the Charity Trustees once agreement has been reached with Sussex Miniature Locomotive Society.

Beech Hurst Cottages

2.2.10 Nos. 1 and 3 Beech Hurst Cottages were re-let during the year with void periods of 11 days and 33 days respectively. All 5 cottages are currently generating a total rental income of £55,500 per annum. All the cottages have had external decorations carried out including repainting of exterior surfaces and replacement window. .

2.2.11 Now that the external works on the cottages have been completed, approval is sought to undertake capital works to replace old bathrooms, toilets and kitchen on 4 cottages (No 3 Beech Hurst Cottages has already had this work completed), and the pre-tender estimates suggest that this work would be in the region of £25,000. The Trustees are asked to fund this from the Charity's budget- recommendation 2(a)(i).

2.2.12 Proposed Soft Landscaping Works.

- Officers are seeking approval to import soil to grade the bank from the picnic lawn to the adjacent amenity area as a means of unifying both locations to increase casual recreation. This project will include the refurbishment of the raised planters either side of the steps outside Bella's Pantry. It is intended that a casual volley ball area can then be

provided within the lower amenity area. The costs of these works are estimated to be in the region of £6,000. -Recommendation 2(a)(iii) refers.

- In addition Officers are considering options for creating a mini arboretum with the intention of educating people about where plants come from, how they came to be here, brief story of the plant hunters & climate change awareness. The costs of these works are estimated to be in the region of £20,000. This project is at an early stage and the Trustees will receive another report in due course; see recommendation 2(a)(iv)
- Water tank for the bowling club

Approval is sought to undertake capital works to upgrade the Irrigation Tank at Beech Hurst Bowls Club to make it compliant with the Legionella Code of Practice, and to expend up to £8000 from the Charity's reserves – recommendation 2(a)(v)

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

- 2.3.1 The object of this Charity is the provision of the open space for the recreation of adults and as a playground for the children and young people 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.
- 2.3.2 All the facilities are well used and regularly maintained.
- 2.3.3 £2k income was received for football pitch and pavilion hire. The income contributed towards expenditure of £13k for grounds and general upkeep of the Recreation Ground.

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

- 2.4.1 The object of this 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. 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.
- 2.4.2 The grounds to this popular and well used venue have been regularly maintained. In total income of £5k was generated in 2016/17 mainly from pitch and event hiring, the tennis courts and ground rental for the tennis pavilion. The income generated contributed to the grounds maintenance and upkeep of the tennis courts, pavilion, playgrounds and paddling pool expenditure of £29k.

2.5 St. Johns Park, Burgess Hill- Charity No: 305189

- 2.5.1 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.

- 2.5.2 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.
- 2.5.3 Income of £14K was generated in 2016/17 mainly from the cricket pitch, event and pavilion hire. This contributed towards the expenditure of £42K for grounds and general upkeep of the facilities.
- 2.5.4 The refreshment kiosk within the pavilion was also operated again during the summer and generated £238 profit income over this period. This figure is included in the income in paragraph 2.5.4 above.
- 2.5.5 The Council Officers have undertaken emergency repair work to secure the pavilion following break-ins and are seeking approval to undertake capital improvement works to make the windows more secure. (see recommendation 2(c)) Council officers are working with Burgess Hill Cricket Club and other users to agree a programme for internal and external redecoration works. There is a report on a new lease of part of the pavilion building to Burgess Hill Cricket Club elsewhere on this agenda.

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

- 2.6.1 The Charity's property comprises the eastern end of the recreation ground.
- 2.6.2 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. .
- 2.6.3 There has been no change to the charity section of the site. The grounds have been regularly maintained.
- 2.6.4 The property comprises a popular public recreation ground including 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 £15k for sports pitch maintenance and associated facility running costs (see Appendix 1)

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

- 2.7.1 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..
- 2.7.2 The object of the Charity is the provision of public open space for the enjoyment of the inhabitants of Haywards Heath.
- 2.7.3 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 £345. It has no income generating potential.

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..
- 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.
- 28.3 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 £808.
- 2.8.4 A plan for bee friendly wild flower area is still 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 2018. (Recommendation 2(b))

2.9 Brooklands Park eastern end (unregistered charity)

- 2.9.1 The Charity's property comprises only the eastern half of the park.. 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.
- 2.9.2 The grounds of this popular park for East Grinstead were regularly maintained, at a cost of £5,826.

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 it is held on charitable trust and therefore charity accounts have been prepared.
- 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 Councils. Since her death the field has been continued in charitable trust status.
- 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.
- 2.10.4 The Parish Council path project has been completed and now open.
- 2.10.5 At the meeting of the Charity Trustees held on 16th December 2015 the Charity Trustees considered a report on a request from the Parish Council to erect and maintain at the Park a 'street snooker sports activity wall' and authorised the Charity's Solicitor to enter into an agreement with the Parish Council to facilitate the construction of the street snooker sports activity wall at the Park to be followed with a lease of the site of the facility for a term of 28 years. An agreement for lease that facilitated the construction of the facility at the Park was completed on 7th September 2016. Construction of the facility has now been completed and officers are attending to the grant of the Lease.
- 2.10.6 The grounds of this popular park for Ashurst Wood were regularly maintained at a cost of £40k and provide an income of £3K.

3.0 CHARITIES' ACCOUNTS

- 3.1 The Charity Trustees are 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 2016 and ending on 31st March 2017.
- 3.2 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.
- 3.3 Trustees should note that in the case of any charity where the charity's expenditure exceeds its income, the shortfall is met from the Council's own resources.

4 FINANCIAL IMPLICATIONS

- 4.1 All income and expenditure shown in the 2016/17 Charity Accounts were accommodated within the 2016/17 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 2016 to 31st March 2017. 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:

- 1. To note and agree the contents of this report and approve the Charities' Accounts for 2016/2017;**
- 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:**
 - (i) Approval is sought to undertake capital works to replace old bathrooms, toilets and kitchens on the remaining 4 cottages at Beech Hurst and to expend up to £25,000 from the Charity's reserves.**
 - (ii) Report back to a future meeting of the trustees on specific detailed terms about the proposed art trail at Beech Hurst.**
 - (iii) Approval to import soil to grade the bank from the picnic lawn to the adjacent amenity area at Beech Hurst as a means of unifying both locations to increase casual recreation and to expend up to £6,000 from the Charity's reserves.**

- (iv) *Report back to a future meeting of the Trustees on the project to create a mini arboretum with the intention of educating people about where plants come from, how they came to be here, brief story of the plant hunters & climate change awareness and to expend up to £20,000 from the Charity's reserves.*
- (v) *Approval to spend up to £8000 to upgrade the water irrigation tank for the Bowling Club*

(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 2018.

(c) St John’s Park

Approval is sought to undertake capital improvements to the windows and doors of the pavilion to ensure that the pavilion is vandal proof and to expend up to £3,685 from the Charity's reserves.

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 2016/17 Revenue Budget.

APPENDIX 1

Charity Accounts 2016/17

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