



STANDON PARISH COUNCIL

Clerk to the Council: Belinda Irons, 14 Crawley End, Chrishall. SG8 8QL
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To: MEMBERS OF STANDON AND PUCKERIDGE RECREATION GROUND CHARITY NUMBER 302467 COMPRISING STANDON PARISH COUNCIL, STANDON AND PUCKERIDGE TENNIS CLUB, STANDON BOWLS CLUB, STANDON AND PUCKERIDGE HARES FOOTBALL CLUB, STANDON AND PUCKERIDGE VETERANS FOOTBALL CLUB

You are hereby requested to attend the **Meeting of 'The Recreation Ground Charity'** to be held on Thursday 27th July 2023 at **7.00pm** in the Lankester Lounge, Standon & Puckeridge Community Centre, Station Road, Puckeridge to transact the business shown in the Agenda below. Public and press are invited to attend.

Belinda Irons

Signed: Belinda Irons

dated 20/7/23

AGENDA

2023.01 Apologies

2023.02 Standon Parish Council Internal Audit:

I am writing further to my report following the internal audit of Standon Parish Council. Although this supplementary letter does not form part of my report, you may wish to share it with members and I strongly recommend that you consider the contents carefully.

In my response to Statement O, which relates to trust funds, I commented on the considerable ambiguity surrounding the management/ownership of the recreation ground/community centre. Based on the value declared in the asset register, the recreation ground and the buildings/equipment thereon are the most valuable community asset and it appears, from the information provided by the Clerk, that these assets are neither fully under the control of the Council acting in its own right, nor fully under the control of the Council acting as trustee of the recreation Ground charity, nor fully under the control of a properly constituted and appointed management organisation. I believe this ambiguity/lack of clear control puts the Council at serious risk.

When responding to Statement O, I considered entering a 'no' conclusion on this basis, but felt that this would be unduly harsh to do so and that it was more appropriate to flag the issue and encourage the Council to take steps to resolve it. I also considered whether to enter a comment and a 'no' response under sections C and H, but again felt that this would be unduly harsh and that it was more appropriate to flag the issue and encourage the Council to take steps to resolve it. However it is not clear to me that this approach would be justified in relation to 2023_24 if steps have not been taken to address the risks identified.

I would strongly urge the Council to take determined action to ensure that lines of control are clear and consistent with asset ownership and that any necessary management agreements/licences to site equipment are in place. This will protect the Council and others should any dispute arise or if anything untoward happens, for example fire or theft.

I trust that this is helpful in your deliberations.

2023.03 Legal Advice:

If the community centre is on the land which forms part of the recreation ground land owned by the charity, arguably the community centre is owned by the charity, and does not need to be incorporated per se. In my view the management of the community should could be met by rental, however that takes place (by a lease or hiring). However there needs to be a keen eye on the use of any profits to ensure so far as possible there are no additional tax liabilities, but your accountant will be better placed to advise on the tax position.

You also need to check the charity has power to lease property. It should do pursuant to the Charities Act 2011, and the scheme has already given it power to let/hire it.

Advice from CDA for Herts: to be discussed at the meeting

2023.04 **OPTIONS: Discussion:**

Parish Council as the Trustee to manage the Charity:

Benefits: the Parish Council can take any action it needs to in a timely manner. The Parish Council takes full responsibility for managing the Charity

Negatives: the Parish Council would have full responsibility for managing the Community Centre and generating sufficient income to ensure the Charity is self-funding. The Charity would be funded through the precept only. Who on the Pc will undertake daily management?

Committee Managing the Charity:

Benefits: reduces the impact on the Parish Council and the Clerk, and gives 'ownership' to the sports groups and the Community Centre Management Committee

Negatives: it may be difficult to get the groups to form a working Committee, and cross funding may be an issue. This model has failed in the past.

Question: Does the Parish Council want to retain total control as the Trustee, but have the support of a Committee?

Does the Charity fulfil its purpose?

If the Charity no longer fulfils its purpose, should an application be made to the Charity Commission to close it?

<https://www.gov.uk/guidance/how-to-close-a-charity>

OPTIONS: Decision:

i) PROPOSAL: That the Parish Councillors, sports club representatives and residents of Standon Parish herewith attending this meeting agree that The Recreation Ground Charity will be run by Standon Parish Council as the Trustee

OR

ii) **PROPOSAL: That the Recreation Ground Charity Committee will comprise three members of Standon Parish Council to represent the Trustee, with a member of Standon & Puckeridge Community Centre Committee, Standon & Puckeridge Tennis Club, Standon Bowls Club, Standon & Puckeridge Hares Football Club and Standon & Puckeridge Veterans Football Club. Additional volunteer members will be sourced from the community.**

OR

iii) **PROPOSAL: That Standon Parish Council as the Trustee of The Recreation Ground Charity agrees that the Charity will be closed as it has no funds to run the Charity as described in the 1949 governing document, and with the agreement of those present at this meeting.**

If the Charity is to continue:

a) Constitution: **PROPOSAL: That Standon Parish Council as the Trustee herewith agrees and adopts The Recreation Ground Charity Committee constitution (Association/Foundation) provided in advance of this meeting by email**

OR

b) Constitution: **PROPOSAL: That The Recreation Ground Charity Committee herewith agrees and adopts The Recreation Ground Charity Committee constitution (Association/Foundation) provided in advance of this meeting by email**

2023.05 Agreements: Sports Clubs

a) Requirement for formal agreements with Standon Parish Council as the Trustee of the Recreation Ground Charity:

b) Draft agreements with

i) Standon & Puckeridge Community Centre Management Committee (as a Committee of the Parish Council)

ii) Standon Bowls Club

iii) Standon & Puckeridge Tennis Club

iv) Standon and Puckeridge Hares Football Club

v) Standon & Puckeridge Veterans Football Club

23.06 Financing the Charity:

Discussion/Decision

a) i) **PROPOSAL:** That a Unity Trust Bank account be opened in the name of 'The Recreation Ground Charity' with two signatories to sign payments. The bank account will be opened with £500.00 (five hundred pounds), which is the minimum requirement, by Standon Parish Council with the closing funds of the Standon & Puckeridge Community Centre Management Committee being transferred directly into the new account on the closure of the Management Committee bank account. Signatories to be two members of Standon Parish Council as the Trustee and Manager of the Charity.

OR

a) ii) **PROPOSAL:** That a Unity Trust Bank account be opened in the name of 'The Recreation Ground Charity' with two signatories to sign payments. The bank account will be opened with £500.00 (five hundred pounds) which is the minimum requirement by Standon Parish Council with the closing funds of the Standon & Puckeridge Community Centre Management Committee being transferred directly into the new account on the closure of the Management Committee bank account. Signatories to be two members of Standon Parish Council as the Trustee of the Charity, and the respective Treasurers of Standon & Puckeridge Tennis Club, Standon Bowls Club, and Standon & Puckeridge Veterans Football Club. The Clerk to Standon Parish Council will manage the bank account but will not be a signatory.

23.07 Daily management of the facilities

23.08 Items for next agenda

23.09 Date of next meeting

Background:

The original governing document dated 14.09.1949 was lost

The amendment dated 30.07.1996 states letting will be allowed.

The King George VI Memorial Playing Field Management Committee managed the premises (by lease) which comprised members of the Parish Council, various sports clubs which were members of the Athletics Association and the Community Centre Management Committee. This was disbanded in the late 1990's. Documentation shows that the Committee found it increasingly hard to generate income, and manage the Charity, which was transferred in full to the Parish Council. Standon Parish Council is the sole Trustee of the Recreation Ground Charity.

Charity Commission Guidance:

the '**foundation**' model is for charities whose **only** voting members will be the charity trustees

the '**association**' model (this model) is for charities that will have a wider membership, including voting members other than the charity trustees

Where the organisation is to have a membership but is expected to have considerable resources and/or employ staff and become engaged in charitable purposes which involve commercial risks it is usually more appropriate to take the form of a charitable company for which our Model Articles of Association (GD1) can be used.

- i) Charitable Trusts: Association Model Constitution : Constitution of a Charitable Incorporated Organisation with voting members other than its charity trustees
- ii) Charitable Trusts: Foundation Model Constitution : Constitution of a Charitable Incorporated Organisation whose only voting members are its charity trustees

Community Centre:

The CC management committee disbanded with management reverted to Standon Parish Council.

The Parish Council has control of the Community Centre now, and it has two options:

- a) all accounts and management may be run via the existing Recreation Ground Charity account as advised by the Solicitor.
- b) All accounts and management are managed by the Parish Council separate to the Recreation Ground Charity as advised by CDA for Herts.

Currently, the Parish Council pays all grounds maintenance costs from the precept.

It could continue to do this, by supplying a grant to the Recreation Ground Charity account. However, VAT cannot be reclaimed on any expenditure by the Charity. If the Community Centre is included in part of the Charity, it may be able to apply for business rates rebate (which may be limited to 20% as the current business rate is over £15,000) which has the potential to offset the unreclaimable VAT.

Income generation from the Community Centre is unknown at this time, and may require subsidisation from the Parish Council to keep the Centre open.