

SPC **STANDON PARISH COUNCIL**

Minutes of the Meeting of Standon Parish Council as the

Sole Trustee of the RECREATION GROUND CHARITY Number 302467

held on Thursday 27th July 2023 at 7.00pm in the Lankester Lounge, Standon & Puckeridge Community Centre, Station Road, Puckeridge

PRESENT: **Standon Parish Council:** Cllr Chris Leage (Chairman), Cllr Claudia Chalkley, Cllr Tony Cracknell, Cllr Pat Foot, Cllr Ralph Granville, Cllr Michael Marshall, Cllr Maureen Wren.

CLERK: Belinda Irons

SPORTS CLUBS REPRESENTATIVES:

Standon Bowls Club

Standon Tennis Club

Standon & Puckeridge Veterans Football Club

Standon & Puckeridge Hares Football Club

PUBLIC: 12

The Chairman welcomed everyone to the meeting and outlined the reason for the meeting.

The Chairman made it very clear that the Councils focus was on ensuring that the Memorial Field and all the facilities there on continue as a valued public asset available to all within the Parish, to achieve this objective the Council is obliged to operate within current statutory and Charity regulations. This requires effective management of the land and buildings and appropriate financial control.

2023.01 Apologies: Standon PC Cllrs Crook, F Luca, Z Luca

2023.02 Standon Parish Council Internal Audit: Shown below is the recommendation of the Standon Parish Council Internal Auditor, which requires Standon Parish Council to act in accordance with legislation:

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

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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: Shown below is the legal advice received from Standon Parish Council solicitor:

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: Standon Parish Council had a meeting with a representative of CDA for Herts, who, having sought additional advice from ACRE, advised the following:

- i) Standon Parish Council is considered to be the Sole Trustee: The Athletics Association handed management of the Recreation Ground to Standon Parish Council in 2004, as it had extensive debts which it could not clear.
- ii) The Charity cannot, in law, financially support businesses or organisations.
- iii) Income must match outgoings
- iv) The Sole Trustee must assess liabilities and assets.
- v) The Recreation Ground Charity must receive all income, and pay all expenditure associated with it. Standon Parish Council may provide a grant to the Recreation Ground Charity.
- vi) The Sole Trustee can set up separate Committees which can have non-Councillors on it, but the majority of Committee Members must be Councillors.
- vii) Businesses using the Community Centre must have occupational licences.

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- viii) Other organisations using the Recreation Ground must have licences.
- ix) The Sole Trustee is able to lease the facility eg internet café/ offices
- x) Community Centre: The Sole Trustee must ensure the building is safe for use with weekly fire alarm testing; COSSHE compliance; Health & Safety Audit; Risk Assessments; Accident Book; Hire agreement; Insurance; A comprehensive and transparent fee structure

2023.04 **OPTIONS: Discussion:** Receipt of this advice has influenced the discussion regarding management entered on the Agenda. Items now considered to be relevant following advice, are shown block coloured in blue, and to be taken as the direction the Sole Trustee will undertake;

Parish Council as the Sole 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.

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 &

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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**

No proposals were carried.

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

The Sports Group representatives made the following comments:

Q: What happens if the building is not operationally profitable?

A: If in breach of regulations, it could be sold to pay outstanding debts. The Parish Council has a duty to protect the asset for the parish.

Q: Why have regular users not been asked to liaise before now?

A: The Parish Council has to start somewhere, and this is the commencement of a process of liaison.

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Q: Why have the users been presented with licences and are expected to sign them right now?

A: Again, we have to start somewhere. The licences are open for discussion and amendment as appropriate.

Q: The Parish Council as the Sole Trustee has complete control, which the Sports Clubs do not agree with. It should be a Committee with equal voting rights. The Parish Council cannot have total control.

A: The Sole Trustee is looking to work with all groups for the good of all. Sports Groups will be part of the solution.

Q: What are the current costs?

A: Currently the Community Centre has an operational deficit of some £14,000 per year which needs to be addressed.

Q: Sports Clubs would use the facilities for post-match entertainment but they now go to the pub.

A: The Parish Council has just taken over and there are many options to consider.

Q: The proposed licences are not right – the Sports Clubs want security of tenure which would be long term leases.

A: The Parish Council needs to research the legality of the Charity providing leases.

Q: Bowls and Tennis have not had access to the Community Centre and have made alternative arrangements. These groups will not now be using the building and do not want to pay for something they don't use.

A: The Parish Council is not asking for Sports Clubs to fund the Community Centre. It is asking that any utilities each group uses are reimbursed. There are other costs associated with the Recreation Ground Charity which need to be funded.

Comment: Veterans cut the grass, maintain the changing rooms as the sole user, have provided new goal posts, and cannot afford to pay as they have a net loss of £1,500.

Comment: Hares: cut the grass and maintain two pitches. It is cheaper to hire Wodson. Hares is seeking a 10 year lease.

Comment: Bowls need security of a long lease

Comment: Tennis need security of a long lease

Comment: Sports Clubs do not want 'imposition' of agreements or costs

The Sports Clubs agreed to liaise with each other to produce a generally agreeable licence which will be presented to the Parish Council.

23.06 Financing the Charity:

Discussion/Decision: No discussion undertaken as the Parish Council is the Sole Trustee and will need to open a bank account as a priority.

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**

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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: not considered

23.08 Items for next agenda: not considered

23.09 Date of next meeting: to be agreed

The Chairman thanked everyone for their co-operation and understanding. The Parish Council looks forward to a friendly and productive engagement with all users and sports groups.

Meeting closed at 7.55

Background:

The original charity document dated 1963 was lost

The amendment dated 30.07.1996 states letting of facilities 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:

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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.

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