

Executive Shareholder and Trustee Committee Report

Ward(s) affected: All

Report of Director of Resources

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Annual Returns for Charities

Executive Summary

Guildford Borough Council, in its role as charitable trustee is responsible for all matters related to the following trusts:

1. The Guildford Sports Ground Charity (also known as the Woodbridge Road Sports Ground);
2. The Burpham War Memorial Recreational Grounds Charity;
3. The Public Walks and Pleasure Grounds Charity;
4. The Racks Close Open Spaces Charity
5. The Allen House Charity.

The terms of reference for the Executive Shareholder and Trustee Committee include the completion and submission of Charity Annual Account returns and the Charity Annual Trustee Report to the Charity Commission on behalf of the above-mentioned charities.

The accounts are currently being prepared by the Finance Team.

Recommendation to the Committee

- (1) That the review and approval of the charitable accounts for the Guildford Sportsground Charity be delegated to the Leader of the Council in consultation with the Lead Councillor responsible for Finance and Assets, Customer Services and the Director of Resources and the Parks and Landscape Manager.
- (2) That the review and approval of charitable accounts for:
 - The Burpham War Memorial Recreational Grounds Charity;
 - The Public Walks and Pleasure Grounds Charity;
 - The Racks Close Open Spaces Charity
 - The Allen House Charity

be delegated to the Leader of the Council in consultation with the Lead Councillor

responsible for Finance and Assets, Customer Services and the Director of Resources.

- (3) That the Specialist Solicitor (Projects, Corporate and Commercial) be authorised in consultation with the Lead Specialist (Finance) to complete any documentation pursuant to the submission of charitable accounts to the Charity Commission.

Reason for Recommendation:

To comply with the legal requirement that the Charity must submit annual accounting returns to the Charity Commission. If the Trustee fails to submit these returns, it could result in the Charity Commission removing the charity from its register and taking further action.

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 This report notes key actions related to the proper administration of Charities administered by Guildford Borough Council. This report also explains the legal requirement to submit the Charity's Annual Trustee Report to the Charity Commission.

2. Strategic Priorities

- 2.1 The filing of accounts will ensure that the Council continues to further the charitable objects for the various charities. The assistance offered by the Charities supports the Council's priority to support "older, more vulnerable and less advantaged people in our community" (Corporate Plan 2018-2023).
- 2.2 The charities also contribute to "enhancing sporting, cultural, community and recreational facilities" (Corporate Plan 2018-2023).

3. Background

- 3.1 The Trustees have overall control of the Charity and are responsible for making sure it is managed in order to promote its charitable objects.
- 3.2 In its role as Trustee, Guildford Borough Council is required to submit annual accounts and a Trustee Report within 10 months of the end of each financial year setting out, amongst other things, the charities' expenditure and income which have promoted the charitable objects. The deadline to file the annual accounts and Trustee Reports (where required) is on or before 31 January 2020.

- 3.3 The aim of account returns and Trustee Reports is to provide a clear picture of the charity's activities and financial position. A Trustee Report is required only for those charities whose gross income exceeds £25,000.
- 3.4 The Executive Shareholder and Trustee Committee acts as the Charity's sole Trustee, allowing the management of the Charity to be kept separate, as far as possible, from the usual business of the Council.
- 3.5 The terms of reference for the Executive Shareholder and Trustee Committee include the completion and submission of an Annual Account return and, where required, an Annual Trustee Report to the Charity Commission.
- 3.6 The Director of Resources has noted that the staffing resources and expertise required to satisfy external auditor queries in order to produce the accounts has increased significantly over the last two years following the increase in income received by some of the charities.
- 3.7 As a result, the Finance Team have been unable to finalise the various charitable accounts in a timely fashion to enable scrutiny by the Committee.
- 3.8 In order to meet the account filing deadline and ensure proper Trustee scrutiny, it is proposed that the accounts are reviewed by the Leader of the Council in consultation with the Lead Councillor responsible for Finance and Assets, Customer Services and the Director of Resources.
- 3.9 There has been significant capital investment in the Guildford Sportsground Charity. The Parks and Landscape Manager will provide the practical insight into the impact of this investment on the regular charitable activity as well as the long-term strategy to ensure that the charity flourishes.

4. Consultations

- 4.1 The Parks and Landscape Manager has been consulted and responded to auditor queries regarding the financial activity for the Guildford Sports Ground Charity.

5. Equality and Diversity Implications

- 5.1 The effective monitoring of charitable activities will ensure that all residents of Guildford Borough Council enjoy access to charitable support and recreational grounds.

6. Financial Implications

- 6.1 The preparation of accounts will be done in accordance with the Charity Commission's financial rules. Where required, external auditors will review accounts prior to their submission to the Executive Shareholder and Trustee Committee.
- 6.2 Charities with a gross income exceeding £25,000 must file accounts and an annual report with the Charity Commission, whereas those whose gross income exceeds £10,000 but is below £25,000 complete an online annual return only and are not required to submit annual accounts. If the gross income is £10,000 or less, charities are asked to complete only certain sections of the annual return, including trustee details.
- 6.3 Charities with a gross income of more than £25,000 in their financial year are required to have their accounts independently examined or audited.

7. Legal Implications

- 7.1 Under the Council's Constitution, authority to approve annual accounts and trustee reports lies with the Executive Shareholder and Trustee Committee.
- 7.2 The bulk of charity law is contained in the Charities Act 2011. The Charity Commission registers and regulates charities in England and Wales. The Commission is responsible for ensuring that charities meet their legal requirements, including providing information on their activities each year.

8. Human Resource Implications

- 8.1 None

9. Conclusion

- 9.1 The role of the Trustee is to manage the Charity in a manner that is clearly distinct from usual Council business. When making decisions, the Trustee has a duty to act in the Charity's best interests. There is a legal requirement to submit an Annual Trustee Report for the Charity to the Commission.

10. Background Papers

None

11. Appendices

None.