

THE IVER HEATH RECREATION GROUND CHARITY

1.0 INTRODUCTION

This report summarises the legal advice regarding the recreation ground charity and proposes an operational model that complies with financial regulation whilst providing a community resource at minimal administration cost to the local community.

2.0 LEGAL ADVICE

In summary:

- The Iver Heath Recreation Ground charity came into existence in 1931
- Iver Heath Recreation Ground is owned by the Iver Heath Recreation Ground Charity; this includes ownership of the buildings
- Iver Heath Recreation Ground Charity has one trustee, The Ivers Parish Council. The council is a managing trustee
- Fields in Trust are custodian trustees. This means that they must agree all land use changes and leases
- The parish council is also a leasee of the Iver Heath Recreation Ground
- As there is a lease in place the recreation ground does not have to be run by the charity
- There is a question to be resolved regarding what non closed membership looks like

3.0 PRAGMATIC OPERATIONAL APPROACH

It is clear that the Recreation Ground Charity is required to exist in order to receive the annual accounts and formally agree the annual submission to the Charity Commission. The charity will not normally require to meet for any other reason as the Parish Council operates as a management trustee and as a leasee however changes of use of the land will require permission from both the charity and the custodian trustee (Fields in Trust).

Rather than operate separate financial systems the lease allows a pragmatic approach that reduces the costs of administration. For this to occur the Charity will need to meet to resolve that the Parish Council retains the income arising from the Recreation Ground in order to defray the cost of maintenance, subject to the Council producing an Annual Statement to the Trustee setting out the Income and Expenditure for the year so that the Trustee has discharged its responsibilities by reviewing the financial accounts/transactions relating to the Recreation Ground produced by the Council.

This approach retains the current income and expenditure codes within the Council's account and utilises the existing bank account and payment arrangements under the council's financial regulations. This approach also avoids any VAT complications that may arise from the treatment of the income received from the Trust. The Council will reclaim any VAT incurred as either a business expense (where it relates to business activities such as letting of sports pitches) or as a non-business

expense relating to the maintenance of Open Space, as it would with any Rec ground.

RECOMMENDATIONS

It is recommended that:

- 3.1 Council receives legal advice as attached
- 3.2 Council agrees to convene as the Trustee of the Iver Heath Recreation Ground Charity to consider and agree a constitution and resolve to allow the Parish Council to retain the income arising from the Recreation Ground in order to defray the cost of maintenance, subject to the Council producing an Annual Statement to the Trustee . A further meeting to occur once a year to receive accounts from The Ivers Parish Council and agree submission to the Charity Commission

For further information, contact:

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