

CABINET SUB-COMMITTEE (COUNCIL CHARITIES)
19 NOVEMBER 2025

***PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: ANNUAL REPORTS AND ACCOUNTS FOR COUNCIL
ADMINISTERED CHARITIES**

REPORT OF: Director: Resources

EXECUTIVE MEMBER: *N/a*

COUNCIL PRIORITY: Thriving Communities

1. EXECUTIVE SUMMARY

This report includes the returns required for each of the Charities/Charitable Trusts administered by the Council. The five Charities/ Charitable Trusts are; Hitchin Town Hall Gymnasium and Workman's Hall Trust, King George's Field Hitchin, Smithson Recreation Ground, Mrs Howard Memorial Hall and Hertfordshire Yeomanry and Artillery Collection. The Charities Sub-Committee approve the accounts and annual reports prior to submission to the Charities Commission, if a return is required.

2. RECOMMENDATIONS

- 2.1. That the Charities Sub-Committee approves the information required by the Charities Commission for the five registered charities, so that the returns can be submitted prior to the 31st January 2025 deadline.
- 2.2. That the Charities Sub-Committee notes the requirement for those charities with gross income of more than £25k in their financial year to have their accounts independently examined and, as this applies to King George's Field and Hitchin Town Hall Gymnasium and Workmans Hall, instructs this to be undertaken for those accounts for 2024/25. This will be undertaken by the Shared Internal Audit Service (SIAS).

3. REASONS FOR RECOMMENDATIONS

To facilitate the submission of approved returns to the Charities Commission.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None. There is a need to comply with the Charities Commission requirements.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. None applicable.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1 The Charities commission recommend that “the management of a charity should be kept separate, as far as possible, from the business of the local authority. Depending on the size and circumstances of the charity, it may make sense for a committee of councillors to be allocated to this task. Equally the finances of the trust must be kept separate from those of the Council”.
- 7.2 This Sub-Committee was established to discharge this duty on behalf of the Council.
- 7.3 The information provided below is produced by nominated Officers with support from the finance team. Once approved by this Committee, the returns will be submitted by the nominated Officers. For those charities with income under £10k, the Charities Commission only require the submission of summary financial information. For Charities with income between £10k and £25k, summary financial information and responses to some questions needs to be provided (not relevant to any of the Council charities). For charities with income above £25k, the Charities Commission require the following:
- The preparation of accounts which have been subjected to an independent examination.
 - Provide a copy of an annual report
 - Answers to a set of questions in relation to the charity
- 7.4 There are further requirements in respect of charities that have an income above £1million and/or assets in excess of £3.26million. These limits are not relevant to any of the Council charities.

8. RELEVANT CONSIDERATIONS

- 8.1 The following Council Charities are registered with the Charities Commission (with registration number in brackets):

Hitchin Town Hall Gymnasium and Workman’s Hall Trust (CC Number 233752)

- 8.2 The financial statements for this Trust are included in Appendix 1a and the Director: Customers produces the annual report, as included in Appendix 1b. Responses to the questions that the Charities Commission requires answers to are attached at Appendix 5.
- 8.3 The most significant income source to this Trust was the Council contribution of £76k, which funded a combination of property costs and museum exhibitions and events. As the income figure exceeds £25k an independent review by the Shared Internal Audit Service (SIAS) has been requested.

King George's Field Hitchin (CC Number 1087603)

- 8.4 The financial statements for this Trust are included in Appendix 2a and the Service Manager for Greenspace produces the annual report, as included in Appendix 2b. Responses to the questions that the Charities Commission requires answers to are attached at Appendix 5.
- 8.5 The most significant income source to this Trust was the Council contribution of just under £30k, which largely funded the ongoing maintenance arising from these playing fields. As the income figure exceeds £25k an independent review by the Shared Internal Audit Service (SIAS) has been requested.

Smithson Recreation Ground (CC Number 264311)

- 8.6 The day-to-day management of the grounds lies with the Council. The costs of maintaining this land on behalf of the Trust are included in Appendix 3a. As the expenditure (and therefore the income contribution provided by the Council) is less than £10k, the Charity Commission do not require full accounts to be produced. Nor do they require an annual return to be submitted or responses to the set of questions.

Hertfordshire Yeomanry and Artillery Collection (CC Number 1100515)

- 8.7 This is the only charity that does not involve land or buildings. It is a collection of military artefacts bequeathed to the Council by way of a Trust Deed dated 6 August 2003. This collection is managed by the Cultural Services Manager. As the funds are less than £10k (and there is no land or buildings) then all that the Charities Commission requires is a confirmation that nothing has changed with regard to the Collection in the past financial year. The responsible Council officer, the Cultural Services Manager, has confirmed this is the case and that there have been no significant activities or achievements for the charity and nor have there been any decisions taken that required consideration of the public benefit test. Therefore, there is no specific return for the sub-committee to approve, and consequently no Appendix.

Mrs Howard Memorial Hall (CC Number 237090)

- 8.8 The building is leased to Letchworth Garden City Community Group (company number 05180851). The Council (as Trustee) currently receives rental income of £1. It funds some property compliance costs, but most of the property costs sit with the Community Group. The net contribution provided by the Council (as Trustee) is under £1k. As the expenditure (and therefore the income contribution provided by the Council) is less than £10k, the Charity Commission do not require full accounts to be produced. Nor do they require an annual return to be submitted or responses to the set of questions. The costs incurred and asset value are detailed in Appendix 4a.

Internal Audit of Council Charity arrangements

- 8.9 As well as carrying out a review of the relevant Charity accounts, the internal audit plan for this year includes an audit of Local Authorities as Charity Trustees. In September 2024, the Charity Commission for England and Wales issued Calderdale Metropolitan Borough Council with an Official Warning after it failed to comply with its duties as trustee of 13 charities. It is the first time the regulator has issued a local authority with an Official Warning. The regulator's Chief Executive wrote to all local authorities warning them of the "significant administrative headaches" councils could face from any failure to correctly comply with their duties. The purpose of the audit is thus to provide assurance that the Council is complying with the Charity Commission guidance for Local authorities (or councils) as trustees of charities. At the time of writing this report, the field work of the audit had been completed and a draft report was in progress. A verbal update will be provided to the meeting. The final audit report will be sent to all Sub-Committee Members. If there are any findings that require substantive action then the Chair can consider whether a further meeting is required.

9. LEGAL IMPLICATIONS

- 9.1. The Council acts as the Trustee for the above mentioned Charities/ Charitable Trusts and this Sub-Committee of the Cabinet is the managing committee appointed on behalf of the Council to manage them. Members when carrying out their duties on the managing committee must act solely in interests of the charity. They do not promote the interests of a 3rd party (i.e. the Council), even if that 3rd party appointed them to the managing committee. Members should have regard to the Council's policy on outside bodies which sets out the responsibility of Members when acting as Trustees
- 9.2. The Sub-Committee's role and function under 5.11.4 (a) (b) and (e) of the constitution is to act on behalf of the Council as a Trustee for all assets of the Council; consider all matters relating to those Trusts including to receive reports on any matter, including the property and financial implications concerning those trust's assets.
- 9.3. The Charities Act 2011 sets out the requirement for Charitable Trustees to maintain accounting records, submit annual returns if gross income exceed £10k and for charities where income exceeds £25k to be examined by an independent examiner (by virtue of sections 130, 169 and 145). Additional reporting obligations prescribed by the Charities (Annual Return) Regulations 2025 are discharged by the recommendations within this report.

10. FINANCIAL IMPLICATIONS

- 10.1. The Council is subject to the following duties in relation to Charitable Trusts:
- Fiduciary duty as Trustee
 - Contractual duty as the nominee of Fields in Trust (where this applies)
 - Statutory duty as Charity Trustee
 - Statutory duties as a local authority landowner (where this applies)
- 10.2 The costs of an independent examination of the accounts will be around £390 for each of the two charities based on one day of SIAS time.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 There is a risk that the non-submission of annual accounts and/or returns may result in a financial penalty being levied by the Charities Commission.
- 11.3 All charities must keep accounting records and prepare annual accounts which must be made available to the public on request, which may represent a resource requirement.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no equalities implications arising from this report.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no HR implications arising from this report.

16. APPENDICES

- 16.1 Appendix 1a- Financial Statements for Hitchin Town Hall Gymnasium and Workman’s Hall Trust
Appendix 1b- Annual Report for Hitchin Town Hall Gymnasium and Workman’s Hall Trust

Appendix 2a- Financial Statements for King George’s Field Hitchin
Appendix 2b- Annual Report for King George’s Field Hitchin

Appendix 3a Costs incurred in relation to Smithson Recreation Ground

Appendix 4a Costs incurred in relation to Mrs Howard Memorial Hall.

Appendix 5- Responses to Charity Commission questions

17. CONTACT OFFICERS

- 17.1 *Ian Couper, Director: Resources*
ian.couper@north-herts.gov.uk, ext: 4243
- 17.2 Georgina Chapman, Policy and Strategy Team Leader
Georgina.chapman@north-herts.gov.uk, ext: 4121
- 17.3 Natasha Jindal, Deputy Monitoring Officer
Natasha.jindal@north-herts.gov.uk

18. BACKGROUND PAPERS

- 18.1 None