

# MANAGERS REPORT

6<sup>th</sup> October 2020

## Report to Wormwood Scrubs Charitable Trust Committee

**Report Author:**

Stephen Hollingworth, Advisor to the Trust

**Contact Details:**

[Steve.Hollingworth@lbhf.gov.uk](mailto:Steve.Hollingworth@lbhf.gov.uk)

### 1. Executive Summary and Decisions Sought

#### 1.1 The Committee is asked to:

- approve a Budget of up to £75,000 per year for up to two years to create and fund a suitable post as a project manager for the Trust, to develop the long-term strategy and objectives and co-ordinate the day to day activities of the Trust.
- to delegate to the Trust manager in consultation with the chair of the Trust committee to develop a person specification and complete a recruitment process
- request H&F officers appoint legal advice to reword the licence with KAA.
- approve a budget of up to £75,000 for the resurfacing and repair of the access road from Scrubs lane.
- to note the audit update and approve the audit procurement strategy for 2019/20 (as set out in para 9.3)
- to note the 2020/21 Financial Forecast
- to note all other matters in the report.

### 2. HS2 Bill Alternative Ecological Mitigation

#### 2.1 The Alternative Ecological Mitigation (AEM) works are progressing in three stages.

- A Conservation management plan (CMP) has been circulated to the Friends for comment this document does not require approval but provides the background information for the biodiversity masterplan and detailed design proposals.
- The masterplan presented at the last WSCT Committee is to be discussed and agreed by a subgroup.
- Detailed designs will be developed along with a 10-year management and maintenance plan to maximise habitat improvement for wildlife and increase biodiversity after the masterplan has been agreed so that the project can be tendered.

#### **Committee to Note**

### **3. HS2 – Compensation Code Temporary access to Trust Land**

- 3.1 The planned possession of parts of the western edge of the Scrubs by HS2 to enable the Stamford Brook sewer and UTX works were discussed at the last committee.
- 3.2 The current programme is for HS2 to access the site in November to carry out visual surveys with clearance work on site commencing in December/January. Patricia Thompson is the Community engagement manager for HS2 and has been meeting with the wider community to explain the impact of the proposals. A meeting has been proposed with the Friends and Patricia would be able to attend a meeting with the trust to make a presentation if required. The Trust agreed for a consultant could be appointed to handle compensation matters. LSH have been appointed and an undertaking from HS2 to fully recover fees is being sought.

#### **Committee to note**

### **4. Update on leases**

- 4.1 Draft heads of Terms and a Service level agreement have been agreed by Kensington Dragons Football Club (KDFC) KDFC have also appointed their legal advisors to work with the Councils legal advisors to formalise the appropriate agreements.
- 4.2 The licence to use the Old Tennis courts to the South of the Linford Christie Stadium allows the Hospital use of this space for a limited period. Early mobilisation works have started and the Hospitals development contractor has discovered asbestos. Part of the cost of this remediation of the asbestos will need to be borne by the Trust. The trust will get advice from the Councils asbestos specialists to ensure it is removed safely and to understand any potential cost that needs to be paid by the Trust. The cost of these works will be offset against the income to be received for the licence.
- 4.3 The details of the lease and the extent of the repairs required for the residential property Park Lodge are being explored so that an options paper can be presented to the committee
- 4.4 The licence to Kensington Aldridge Academy has been renewed.

#### **Committee to note**

### **5. Implementing Strategic Governance Review recommendations**

- 5.1. The Trust Committee approved the Report ‘WORMWOOD SCUBS CHARITABLE TRUST – PROPOSALS FOR GOVERNANCE AND STRATEGY REVIEW’ at its last meeting in July 2020. The review identified that the trust should consider its approach and strategy to achieving the charitable objects set out in the Wormwood Scrubs Act. Officers reviewed the approach of other charities and noted they tend to have:
- Vision
  - Strategy
  - Business Plan
- 5.2. Currently there is no dedicated officer with day to day responsibility for supporting the Trust Committee, or who could help the Trust develop its vision and strategy. Officers therefore recommend approving a budget allocation of £75K a year for two years (£150,000 in total), to fund an appropriate project manager role to support this. The full remit of the role would be agreed with the Trust committee and annual objectives set. Recruitment and employment would need to be carried out by the Council, to make use of the Council’s existing systems. It is recommended that they are appointed on a two-year fixed term contract to reflect the budget allocation.

**Committee to request action**

**6. Community Safety Update**

- 6.1 Additional patrols have been in place since April from the Community safety team to help manage the social distancing requirements in Public parks. Patrols were carried out on at least a daily basis. Visitor numbers on the Scrubs have increased considerably during the COVID-19 pandemic. There has been a considerable increase in litter and anti-social behaviour especially after dark.
- 6.2 An additional concern, exacerbated by the cancelled Notting Hill Carnival due to CoVid is the number of unlicensed Music Events which have threatened to use the Scrubs. This has required a co-ordinated approach from the Borough with the Metropolitan Police.
- 6.2 Residents and the Friends have raised a number of concerns including; proposing fencing the ‘Meadow Pipit meadow’, encroaching bramble and a lack of signage to reinforce the site rules. Most of these issues will be addressed through the proposals put forward in the Biodiversity Masterplan.
- 6.2 20 incidents were recorded at the Scrubs from 1<sup>st</sup> Jan to June 18<sup>th</sup>, 2020

Date	Incident	Total
January	Homelessness incident	1
	Found/recovered knife	1
February	Breach of Byelaw	1

March	Nil	
April	Anti-Social Behaviour	4
	Health & Safety incident	1
May	Anti-Social Behaviour	1
	Breach of Byelaw	2
	incident of fire	1
June	Vehicle related incidents	3
	Breach of Byelaw	2
	Anti-Social Behaviour	1
	Homelessness incidents	2

### **Committee to Note**

## **7. Grounds Maintenance and site management update**

- 7.1 Linford Christie Stadium (LCS) re-opened for pre-booked track sessions on 2nd July. Thames Valley Harriers have been running 3 sessions per week and their numbers have been steadily increasing. Kensington Dragons have also started back playing matches on the centre pitch at weekends. Linford Christie Stadium. Unfortunately due to a large number of unauthorised users during lockdown, the All-Weather Pitches sustained some damage and could not be used. Repairs have been completed 24th September, and the first bookings will take place on 28th September. The building has also been deep-cleaned, and a disinfection fogging has taken place.
- 7.2 The majority of the Large timber Play equipment on the Braybrook Street boundary has been identified in an inspection as defective and will have to be removed. Prices to repair or replace are being explored but no funds have been identified at present for its replacement. The Old Oak and Park Royal Development Corporation (OPDC) has been approached for S106 funding but their initial response is that their funds are very limited.

### **Committee to Note**

- 7.3 The committee requested at the last meeting that the potholes in the access road from Scrubs lane are addressed. Reinstatement works for the road are documented in the licence agreement with KAA to be actioned at the end of their licence. Officers recommend that the Trust take legal advice to document changes so that at the end of the licence KAA do all the other reinstatement works required. Officers recommend that £75,000 is made available to fund these works.

### **Committee to request action**

## **8. Events**

- 8.1 No events have been held at the Scrubs during the COVID-19 pandemic. However, we have been talking to a reputable event's organiser, within the

London area, “Slammin Events” about the possibility of using Wormwood Scrubs for festivals and events in the future. Enclosed in Annexe C is some further detail of what they would like to propose, in terms of a test event between June and September next year. If Members of the Trust would like to take this forward, a representative of Slammin Events would be happy to attend the next meeting to provide more detail and discuss consultation and mitigation strategies, to move things forward.

**Committee to Note**

**9. Audit - Update on the 2018/19 and 2019/20 Accounts**

***Statement of Accounts 2018/19***

- 9.1. The 2018/19 accounts were presented to the January committee and it was noted remained subject to audit. The accounts are proceeding through final internal review procedures with the external auditor. The impact of Covid-19 has meant additional processes have had to be followed, including completion of a ‘going-concern’ assessment which has, unfortunately, delayed progress. Subject to any final audit queries arising the accounts should proceed to signing stage presently. Further updates will be provided to Committee. The net revenue (surplus) position for 2018/19, as reported to committee, remains unchanged at £226,944.

**Committee to Note**

***Statement of Accounts 2019/20 and Appointment of Auditors***

- 9.2. The 2019/20 accounts are awaiting audit. The net revenue (surplus) position for 2019/20 is calculated at £141,940.
- 9.3. The Trust is required to appoint auditors for the financial year 2019/20. Subject to confirmation of final legal advice, The Trust is asked to approve an audit procurement and appointment strategy as follows:
- An advisor-led audit appointment panel to be created and the membership of this panel to be agreed by the Chair;
  - A minimum of three quotes to be obtained via the Council’s e-Sourcing system;
  - Subject to the auditor meeting the minimum statutory and regulatory requirements concerning their appropriateness to undertake audit, an assessment to be undertaken with regard to appropriate advice and guidance and based on a price/quality ratio of 50:50;
  - The appointment panel will review the quotes and make a recommendation to Chair;
  - The Chair will confirm final appointment and report that decision to the Committee.

## Committee to Approve

### 10. Financial Forecast 2020/21

10.1. The financial forecast for Wormwood Scrubs Charitable Trust (“the Trust”) for 2020/21 is summarised below and is detailed in Annexe A. Financial transactions for the financial year are set out in Annexe B.

Activity	Outturn 2017/18	Outturn 2018/19	Outturn 2019/20	Budget 2020/21	Forecast 2020/21	Variance	Movement Between Years		Comments
							Budget	Forecast	
Pay and Display Meters & Cashless Parking	(259,674)	(351,834)	(324,945)	(300,000)	(179,609)	120,391	8%	45%	The 2019/20 outturn was 92% of the 2018/19 outturn due to Covid-19 lockdown (March 2020). The 2020/21 budget was set at 85% of 2018/19 outturn. The forecast is based on actual income April to August 2020, which is £77,355 (55%) less than the 2019/20 equivalent.
Hammersmith Hospital Car Park Licence	(324,619)	(337,229)	(346,995)	(354,126)	(354,126)	0	-2%	-2%	Q2 Forecast: 2020/21: £Q1 - Q3 @ £88,091 (signed agreement) and Q4 @ £89,853 (estimated).
Other income from activities for generating funds	(488,002)	(371,078)	(322,073)	(321,038)	(327,696)	(6,658)	0%	-2%	Q2 forecast: KAA income to 31st March 2021 £315,658 (Licence extension: £26,523 pcm wef 13th July 2020 ); UKPN rental £3,446; Filming £3,000; Events £0; £1,092 Parks Lodge Income and Interest £4,500.
<b>Total income and endowments</b>	<b>(1,072,295)</b>	<b>(1,060,141)</b>	<b>(994,013)</b>	<b>(975,164)</b>	<b>(861,430)</b>	<b>113,733</b>	<b>6%</b>	<b>41%</b>	
Grounds Maintenance	706,909	719,895	742,993	771,949	762,854	(9,095)	4%	3%	Estimated Grounds Maintenance cost: £738,629 plus apportioned governance cost: £24,125.
Contribution to Linford Christie Stadium	32,330	32,356	84,719	63,317	63,508	192	-25%	-25%	Fixed annual cost of £31,500; £30,000 two year additional contribution for repair and maintenance of changing rooms; plus £2,008 governance costs
Other Expenditure	35,093	80,945	24,362	36,034	27,882	(8,152)	48%	14%	Estimated ad hoc works and governance costs, including £816 Governance costs
<b>Total Expenditure</b>	<b>774,332</b>	<b>833,196</b>	<b>852,075</b>	<b>871,299</b>	<b>854,244</b>	<b>(17,055)</b>	<b>27%</b>	<b>-8%</b>	
<b>Net (income)/expenditure</b>	<b>(297,964)</b>	<b>(226,944)</b>	<b>(141,939)</b>	<b>(103,864)</b>	<b>(7,186)</b>	<b>96,678</b>	<b>-27%</b>	<b>-95%</b>	

10.2. The budget for 2020/21 was set with an anticipated surplus of £103,864 to be added to the Trust’s reserves. The current forecast (as at 25<sup>th</sup> September 2020) is a much-reduced surplus of £7,186, which is £96,678 worse than budget. The main reason for this is reduced parking income; forecasted underspends have, however, reduced the impact.

10.3. The Trust’s opening unrestricted funds balance for 2020/21 was £884,129, subject to audit. The current 2020/21 outturn forecast will increase these funds to £891,314, to be carried forward to 2021/22. The Trust’s closing funds for 2020/21 are, therefore, estimated at £5,891,315 when £5,000,001 restricted funds are added.

### Income

10.4. The 2020/21 income budget was set at £975,164. However, the current forecast is £113,733 less than this, at £861,430.

10.5. Income from pay and display and parking meters has increased since the introduction of cashless parking, but the Covid-19 lockdown has significantly impacted on income since March 2020. Although the 2020 budget was set at a cautious £300,000 (£51,834 less than the 2018/19 outturn), the current forecast for parking income is £120,391 than budgeted. Forecasted at only £179,609, parking income is 49% and 45% less than the 2018/19 and 2019/20

outturns, respectively. Monthly income loss peaked in April (74%), steadily decreased May to July, but increased slightly again in August (43%) as illustrated below.

Parking income loss - 2020/21 compared to 2019/20 (P&D and Meters)					
Month	2019/20 (£)	2020/21 (£)	Variance (£)	Decrease	
Apr-20	- 27,470.00	- 7,135.37	20,334.63	74%	
May-20	- 29,325.92	- 8,984.83	20,341.09	69%	
Jun-20	- 28,208.96	- 13,883.71	14,325.25	51%	
Jul-20	- 30,077.63	- 18,973.08	11,104.55	37%	
Aug-20	- 26,128.62	- 14,879.42	11,249.20	43%	
<b>Totals</b>	<b>- 141,211.13</b>	<b>- 63,856.41</b>	<b>77,354.72</b>	<b>55%</b>	

- 10.6. The Hammersmith Car Park Licence income budget (£354,1260) was set at the current agreed plus a 2% uplift is forecasted for Quarter 4 (January to March 2021). This is also the current forecast.
- 10.7. The 2020/21 budget for other income (£321,038) was primarily the £309,000 forecasted annual rental income payable by the Kensington Aldridge Academy (KAA). The current projection for KAA income is £315,658 as the signed lease agreement confirms income at £6,658 better than budget. This budget was based on a monthly rate of £25,750; the agreed rate is £26,523. The current 2021/22 forecast is for KAA to remain on site for the full year (including removal of the temporary site), generating £318,300.
- 10.8. Reinstatement of filming and events income to levels prior to KAA occupation is still not expected until post 2021/22; with 2022/23 income phased as customers return from alternative sites. Therefore, the current forecast matches the extremely cautious assumptions about the likely 2020/21 income. The budget is only £3,000. Securing a large event was not assumed, and Covid-19 reduces the possibilities for this.
- 10.9. Other income items are also forecasted in line with budget: £3446 annual rental income payable by UKPN for occupation of the Scrubs land for the electric vehicle charging points, which has been agreed for the next five years; and investment income from the bank balance and lodges, estimated at £5,592.

### **Governance costs**

- 10.10. Governance costs are the indirect costs of managing the Wormwood Scrubs; these include legal charges, audit fees and finance support costs. The 2020/21 budget for governance costs was set at £25,000. The current forecast, at £27,015, is more than budget due to additional legal charges associated with the Kensington Dragons lease.
- 10.11. These costs are apportioned to expenditure budgets/actuals based on value. The current forecast £27,015 is apportioned as follows: £24,125 to planned contractual grounds maintenance; £2,008 to the Linford Christie Stadium contribution; and £882 to non-routine maintenance and other costs

## **Expenditure**

- 10.12. Expenditure is planned as far as possible, with priority being given to essential works. The 2020/21 expenditure budget was set at £871,299 (£846,299 plus £25,000 governance costs). The current expenditure forecast is £854,244 (£827,229 plus £27,015 governance costs). This £17,055 favourable variance partially offsets the parking income budget pressure.
- 10.13. The £771,949 planned contractual Ground Maintenance (GM) budget was set at £749,799 charge (2019/20 contractual cost (£723,535) uplifted by an estimated 3.63% (price indices – DERV Fuel, Plant & Road Vehicles, and GLPC pay scales)) and £22,149 apportioned governance costs. Subject to confirmation of the price indices the current planned GM forecast is £762,854 (£738,729 plus £24,125 governance costs), which is a favourable variance of £9,095.
- 10.14. The budget for Contribution to Linford Christie Stadium was set at £63,317 (£31,500 fixed contribution; £30,000 additional contribution; and £1,817 apportioned governance costs). The current forecast, at £63,508 (£61,500 plus £2,008 governance costs) is only £192 more than the budget.
- 10.15. The budget for other expenditure was set at ££36,034 (£35,000 non-routine maintenance and £1,034 apportioned governance costs). The current forecast is £8,152 below this, at £27,882 (£25,000 non-routine maintenance; £2,00 other costs; plus £882 governance costs).

## **Wormwood Scrubs Charitable Trust Funds**

- 10.16. The Trust's funds are currently forecasted to be at £5,891,315 by the end of £2020/21.
- 10.17. There are significant uncertainties around possible future income from July 2022. Possible streams include securing a significant event and generating income from commercial activities.

## **Committee to Note**



**Current Financial Forecast**

**WORMWOOD SCRUBS CHARITABLE TRUST**  
**STATEMENT OF ACCOUNTS 2020/21 - Unaudited**

**Wormwood Scrubs Charitable Trust**

**Statement of Financial Activities for Year ended 31 March 2020**

Income and Expenditure	2020/21 Forecast	2019/20 Actual	Notes
	£	£	
<b>Income and endowments from:</b>			
Donations and legacies			
<b>Income from Charitable activities:</b>			
Pay and Display Parking Meters	(179,609)	(324,945)	Covid-19 has had a significant effect on Parking Income. The current forecast it for only 55% of the 2019/20 outturn.
Hammersmith Hospital Car Park Licence	(354,126)	(346,995)	Contracted lease payments increased by 2% compared to 2019/20
	0	0	
Other trading activities	(322,104)	(315,441)	Includes income from the KAA and UKPN charging points and HS2 Ltd reimbursement.
Income from Investments	(5,592)	(179,176)	Interest on cash balances and rental income from the park lodge. HS2 recharge income included in 2019/20 figures (offset by other expenditure) is not forecasted.
Other Income		0	
<b>Total Income and endowments</b>	<b>(861,430)</b>	<b>(1,166,559)</b>	
<b>Expenditure on:</b>			
Raising funds	0	0	
<b>Charitable activities:</b>			
Contribution to Linford Christie Stadium	63,508	84,719	Contribution to Linford Christie Stadium plus proportion of governance costs.
Non Routine Maintenance of Wormwood Scrubs	25,816	22,497	Expenditure on non-routine grounds maintenance plus proportion of governance costs.
Routine Grounds Maintenance of Wormwood Scrub	762,854	742,993	Grounds Maintenance contracted spend plus proportion of governance costs.
	0	0	
Other expenditure	2,065	174,410	Ad hoc expenditure plus costs to be recovered from HS2 Ltd
<b>Total Expenditure</b>	<b>854,244</b>	<b>1,024,620</b>	
Net gains/(losses) on investments			
<b>Net (income)/expenditure</b>	<b>(7,186)</b>	<b>(141,939)</b>	
<b>Reconciliation of Funds</b>			
Total funds brought forward	(5,884,129)	(5,742,189)	
<b>Total funds carried forward</b>	<b>(5,891,315)</b>	<b>(5,884,129)</b>	

All income is unrestricted.

**Annexe B**

**Wormwood Scrubs Charitable Trust Transactions at Q1-2 2020/21 (April to September)**

**(314,481.63)**

Activity	Comments	Amount £
Non Routine Maintenance of Wormwood Scrubs	Bell Decorating & Building Ltd SCRUBS REPLACEMENT INSPECTION COVERS	300.00
Non Routine Maintenance of Wormwood Scrubs	Indigo Lodge Limited GATE REPAIR	480.00
Non Routine Maintenance of Wormwood Scrubs	Indigo Lodge Limited OUTDOOR GYM CROSSBARS REMOVAL	410.00
Non Routine Maintenance of Wormwood Scrubs	Indigo Lodge Limited KAS/19925- WORMWOOD SCRUBS REPAIRS TO	960.00
Non Routine Maintenance of Wormwood Scrubs	Indigo Lodge Limited KAS/19926- WORMWOOD SCRUBS ACCESS ROAD	245.00
Non Routine Maintenance of Wormwood Scrubs	Indigo Lodge Limited KAS/19895- OUTDOOR GYMNASIUM REPAIR	810.00
Governance Costs	Legal fees - Lease - Kensington Dragons	5,178.00
Governance Costs	Legal fees	7.00
Governance Costs	Legal fees	193.80
Governance Costs	Legal fees	345.60
Governance Costs	Legal fees	21.60
Governance Costs	Legal fees	583.20
Governance Costs	Legal fees	28.80
Governance Costs	Legal fees	324.00
Governance Costs	Legal fees	7.20
Governance Costs	Legal fees	698.40
Governance Costs	Legal fees	7.20
Governance Costs	Legal fees	453.60
Governance Costs - Accrual	Audit fee	(15,015.00)
Governance Costs - Accrual	Audit fee	(5,115.00)
Governance Costs - Accrual	Audit fee	(9,900.00)
Other trading activities	Charing Cross Hospital PERIOD Q1: 25/03/20 TO 23/06/20 (W'WD SCBS CR PK)	(88,091.00)
Other trading activities	Charing Cross Hospital PERIOD: 24/06/20 TO 28/09/20 (W'WD SCBS CR PK)	(88,091.00)
Other trading activities	Kensington Aldridge Academy APRIL 2020	(25,750.00)
Other trading activities	Kensington Aldridge Academy MAY 2020	(25,750.00)
Other trading activities	Kensington Aldridge Academy JUNE 2020	(25,750.00)
Other trading activities	Kensington Aldridge Academy JULY 2020	(25,750.00)
Other trading activities	Kensington Aldridge Academy RENT SHORTFALL FOR PERIOD 13/07/20 TO 31/07/20	(473.77)
Other trading activities	Kensington Aldridge Academy AUGUST 2020	(26,523.00)
Other trading activities	Kensington Aldridge Academy SEPTEMBER 2020	(26,523.00)
Income from Investments	Mr Jenkyns Keigwin APRIL TO JUNE 2020 - PK LDG	(273.00)
Income from Investments	Mr Jenkyns Keigwin JULY TO SEPT 2020 - PK LDG	(273.00)
		<b>(352,224.37)</b>
Other trading activities	Land Use Consultants Limited	6,865.00
Non Routine Maintenance of Wormwood Scrubs	TEMPORARY TENNIS COURT SIGNS	<b>178.75</b>
Other trading activities	Reimbursement from HS2 Limited	2,354.24
Other trading activities	Reimbursement from HS2 Limited	11,567.84
Other trading activities	Reimbursement from HS2 Limited	5,569.23
Other trading activities	Reimbursement from HS2 Limited	350.68
Other trading activities	Reimbursement from HS2 Limited	2,217.00
Other trading activities	Pick Everard	7,152.00
Other trading activities	Reimbursement from HS2 Limited	1,488.00
	HS2 Limited Transactions	<b>37,742.74</b>
		<b>(314,481.63)</b>