

# Wormwood Scrubs Charitable Trust Committee

## Agenda

Tuesday 19 September 2017

7.00 pm

Woodlane Community Centre, 78 White City Close, W12 7DZ

### MEMBERSHIP

Administration:	Opposition	Co-optees
Councillor Wesley Harcourt (Chair) Councillor Elaine Chumnerly	Councillor Joe Carlebach	Miriam Shea Stephen Waley-Cohen

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[http://www.lbhf.gov.uk/Directory/Council\\_and\\_Democracy](http://www.lbhf.gov.uk/Directory/Council_and_Democracy)

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Date Issued: 11 September 2017

# **Wormwood Scrubs Charitable Trust Committee Agenda**

**19 September 2017**

<b><u>Item</u></b>	<b><u>Pages</u></b>
<b>1. MINUTES OF THE LAST MEETING</b> To approve as an accurate record, and the Chairman to sign, the minutes of the meeting held on 22 June 2017.	1 - 4
<b>2. APOLOGIES FOR ABSENCE</b>	
<b>3. DECLARATIONS OF INTEREST</b> If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.  At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.  Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.  Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.	
<b>4. WORMWOOD SCRUBS CHARITABLE TRUST STATEMENT OF ACCOUNTS 2016/17</b> This report presents the Trust's Annual Trustee's Report which includes the draft 2016/17 financial accounts. The external auditors (KPMG LLP) require the Trust to approve a letter of representation.	5 - 44

**5. MANAGERS REPORT**

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The Committee is asked note all matters in the report.

**6. KENSINGTON ALDRIDGE ACADEMY RELOCATION - VERBAL UPDATE**

**7. DATE OF NEXT MEETING**

The next meeting will be held on 11 December 2017.

**8. EXCLUSION OF THE PUBLIC AND PRESS**

That under Section 100A(4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

**9. EXEMPT MINUTES OF THE PREVIOUS MEETING**

To approve the exempt minutes of the meeting held on 22 June 2017.

**10. QPR PRESENTATION - (EXEMPT ITEM)**



London Borough of Hammersmith & Fulham

## **Wormwood Scrubs Charitable Trust Committee Minutes**

**Thursday 22 June 2017**

### **PRESENT**

**Committee members:** Councillors Joe Carlebach, Wesley Harcourt (Chair).

**Co-opted members:** Stephen Waley-Cohen and Miriam Shea

**Officers:** Dave Page (Director for Safer Neighbourhoods), David Burns (Head of Housing Strategy), Ian Ross (Leisure Services Manager), and Amrita Gill (Governance)

### **1. APPOINTMENT OF CHAIR AND VICE CHAIR**

#### **RESOLVED**

That Councillor Wesley Harcourt be appointed as the Chair of the Wormwood Scrubs Charitable Trust for municipal year 2017-18.

That Councillor Joe Carlebach be appointed as the Vice-Chair of the Wormwood Scrubs Charitable Trust for municipal year 2017-18.

### **2. APPOINTMENT OF CO-OPTED MEMBERS**

#### **RESOLVED**

The Committee agreed the appointments of the following non-voting co-opted members:

- Sir Stephen Waley-Cohen
- Miriam Shea

### **3. MINUTES OF THE LAST MEETING**

#### **RESOLVED**

The minutes of the meeting held on 6 December 2017 were approved and signed by the Chair.

### **4. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Elaine Chumnerly, Mark Jones (Director for Finance and Resources), Farrah Rossi (Project Manager), Richard Duffill, Mike Rumble (Parks Inspector) and Jem Kale (Events).

Apologies for lateness were received from Ian Ross.

## **5. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **6. MANAGERS REPORT**

### **HS2 Bill – Proposed Wetland Mitigation Legal Agreement**

Dave Page reported that officers met with HS2 in May to progress the project. It was agreed that a development manager would be appointed to oversee the project. It was hoped that an officer would be in post by September/October 2017. Stephen Waley-Cohen asked if there would be an opportunity to meet with the development manager once appointment had taken place. Dave Page said that if a manager was identified prior to the next Committee meeting it would be useful for he/she to attend.

### **HS2 Bill – Re-Routing Stamford Brook Sewer Legal Agreement**

Dave Page noted that officers had secured a legal agreement from HS2 regarding the re-routing of the Stamford Brook sewer through the northern edge of the scrubs.

Councillors expressed some concerns regarding the borehole covers and whether they could be tampered with, removed or if someone could fall in. Dave Page in reference to Appendix 1, noted that the boreholes were approximately 150mm-200mm in diameter and therefore it would not be possible for a person or child to fall in. HS2 had also confirmed that they would be locked and would only be opened using, a hex head specialist hammer used by contractors. Councillor Joe Carlebach asked who held legal liability and how many boreholes there were in total. Dave Page responded that he would provide an update on this and noted that there were 10 along the route.

**Action: Farrah Rossi**

### **UK Power Networks**

Dave Page noted that further discussions were held with UKPN and proposal 3 was made, on 29 March to push for a better deal. The UKPN's final offer was option 4 and officers recommended that this offer at a value of £193,542 was accepted by the trust.

Councillor Joe Carlebach asked how the value of £193,542 was accounted for i.e. one payment or smaller payments spread across 7 years. Dave Page noted that officers would consider the most beneficial option and feedback would be provided at the next Committee meeting.

**Action: Mark Jones**

### **Filming and Events Update**

Dave Page reported that the Secret Cinema event had been postponed to July/August 2018 due to the General Elections. A wider consultation had taken

place including the Pony Club, Hammersmith Hospital, and Scrubs Prison. Positive feedback had been received from all parties. He added that the Winter Wonderland project had also been put on hold due to the General Elections. Friends of Wormwood Scrubs would be consulted in June 2017.

Councillor Wesley Harcourt highlighted that the Council would fully support the opportunity to run a fundraiser event for the Grenfell Tower victims at the Scrubs, if it had been approached. Councillor Joe Carlebach agreed and suggested that other venues such as QPR, Fulham and Chelsea football clubs would also be worth exploring.

### **Community Safety Update**

Dave Page noted that dog related incidents had been more apparent this year. He added that six crossbow arrows were found secreted in the bushes near the railway line and were safely removed to police custody.

### **Grounds Maintenance and Site Management Update**

Dave Page reported that the maintenance team on site had concentrated on litter during recent months. Officers working with Idverde had zoned the site to ensure all areas were visited on a cycle. Works had been carried out to the trees on Old Oak Lane; the works were primarily health and safety as the trees had a lot of deadwood on them. Officers also met with Hitachi Rail regarding trees overhanging from the scrubs. Officers advised Hitachi Rail if this was an issue for them, they should exercise their common law right to cut the offending vegetation back to the boundary.

Stephen Waley-Cohen expressed some concerns about the increase in litter at the football pitches after games. Dave Page noted that the Council managed the bookings and it was part of the booking contract for players to clear up after themselves. Councillor Wesley Harcourt said if this continued, for pictures to be taken of offenders and warnings to be issued.

Action: Dave Page

### **Financial Forecast 2016/17**

Dave Page reported that the latest financial forecast was for a deficit of £40,139, which was £14,964 better than budget. Parking income was slightly lower than previous year, with a reduction of 5% observed in 2016/17. The other income line included a forecast of £85,858 from filming and events representing an increase of 18% compared with 2015/16 incomes for those activities.

### **Financial Budget 2017/18**

Dave Page reported that the actual uplift was 3.007% for 2017/18. This had increased the expenditure budget by £20,645, £8,456 higher than assumed during budget setting. The latest financial forecast was for a deficit of £66,768, which was £9,579 worse than budget. Income from UKPN was not included in the projection.

Councillor Wesley Harcourt said that every year there seemed to be an opportunity for potential events, however for whatever reasons were not secured and thus had an impact on the forecast. Dave Page noted that securing a large event was not assumed, but officers were working on possibilities. There were some signs that filming income would be strong again this year.

**Legal Comments**

Dave Page noted the legal comments in relation to the proposed agreement with UKPN.

Dave Page noted that this would be his last Committee meeting as he was leaving in July for retirement. The Chair thanked him for all his hardwork and wished him luck in his future endeavours

**RESOLVED**

That the Committee approved the terms of the deal with UK Power Networks and authorised officers to carry out necessary advertising and, unless there were objections, enter into necessary legal agreements for the Trust.

**7. DATE OF NEXT MEETING**

The next meeting was scheduled for 19 September 2017.

**8. EXCLUSION OF THE PUBLIC AND PRESS**

**RESOLVED**

That under Section 100A(4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

**9. LINFORD CHRISTIE STADIUM - FUNDING AND REPORT ON OPTIONS (EXEMPT ITEM)**


The exempt elements of the report were noted.

Meeting started: 7:00pm  
Meeting ended: 8:30pm

Chair .....

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Minutes are subject to confirmation at the next meeting as a correct record of the proceedings and any amendments arising will be recorded in the minutes of that subsequent meeting.

	<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>WORMWOOD SCRUBS CHARITABLE TRUST COMMITTEE</b></p> <p align="center"><b>19 September 2017</b></p>
<p align="center"><b>WORMWOOD SCRUBS CHARITABLE TRUST STATEMENT OF ACCOUNTS 2016/17</b></p>	
<p><b>Report of the Director for Finance &amp; Resources, Environmental Services</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For Information</b></p> <p><b>Key Decision: No</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Director: Hitesh Jolapara, Strategic Finance Director</b></p>	
<p><b>Report Author:</b> Mark Jones, Director for Finance &amp; Resources, Environmental Services</p>	<p><b>Contact Details:</b> Tel: 020 (8753 6700) E-mail: (mark.jones@lbhf.gov.uk)</p>

<p>AUTHORISED BY: .....</p> <p>.....</p> <p>DATE: .....</p>
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## 1. EXECUTIVE SUMMARY

- 1.1. This report presents the Wormwood Scrubs Charitable Trust Annual Trustee's Report which includes the draft 2016/17 financial accounts (Appendix 1).
- 1.2. The external auditors (KPMG LLP) require the Trust to approve a letter of representation, which is at Appendix 2.
- 1.3. The external auditors (KPMG LLP) must report their findings to a properly constituted governance body of the Trust before they can publish their signed and final opinion on the integrity of the Trust's accounts. This is included in Appendix 1

## 2. RECOMMENDATIONS



- 2.1. To note the content of the draft 2016/17 financial accounts for Wormwood Scrubs Charitable Trust (“the Trust”).
- 2.2. To approve delegation of authority to the Director for Finance & Resources, Environmental Services for the approval of the audited 2016/17 Statement of Accounts and Trustee’s report in the event of auditor changes subsequent to this Committee meeting.
- 2.3. To approve the management representation letter (attached as Appendix 2).
- 2.4. To approve the Trustee’s Annual Report, attached as Appendix 1.
- 2.5. To note the contents of the annual risk assessment (contained in the Trustee’s report on pages 25-26).

### **3. REASONS FOR DECISION**

- 3.1. The external auditors must report their findings to a properly constituted governance body of the Trust before they can publish their signed and final opinion on the integrity of the Trust’s accounts.

### **4. INTRODUCTION AND BACKGROUND**

- 4.1. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011. The Statement of Accounts and Trustee’s Report are provided from page 15 of Appendix 1. These are for approval by the Wormwood Scrubs Charitable Trust Committee.
- 4.2. This report gives a brief overview of the key points arising from the Statement of Accounts and Trustee’s Report.
- 4.3. KPMG have remained the auditors of the financial statements for 2016/17.
- 4.4. It should be noted that these accounts remain “unaudited” until final sign-off by KPMG and may therefore be subject to change until that point. However, no further changes are expected. KPMG will consider and complete their final sign-off following the approval of the accounts by the Trust. In the event that changes are subsequently made, then the Director for Finance & Resources, Environmental Services will sign-off the amended accounts (following approval of delegated authority), will advise all Committee members, and report any changes to the next meeting of the Wormwood Scrubs Charitable Trust Committee.

### **5. STATEMENT OF ACCOUNTS 2016/17**

- 5.1. Financial performance for the Wormwood Scrubs Charitable Trust in 2016/17 was £21,860 better when compared to last year, with the Trust almost breaking even on income and expenditure. Net incoming resources for the year totalled a loss of £37,339.
- 5.2. The Trust started the year with an opening balance of £5,254,619. With net expenditure of £37,339, the year end balance was £5,217,280.
- 5.3. The amount carried forward consists of unrestricted income funds of £217,279 and designated funds relating to the valuation of land and buildings of £5,000,001.
- 5.4. The Trust's land includes the Linford Christie Athletics Stadium, Pony Centre, three bedroom cottage and single storey parks depot, all of which are valued as £1 in total. It also includes the car park valued at £5,000,000 as at 31st March 2016.
- 5.5. The main source of income is achieved through the use of the car parks that append Wormwood Scrubs. This income consists of public pay and display parking income and private car park rental income from the licence to Hammersmith Hospital Trust. These generated 86% (£603,517) of the Trust's £698,745 of incoming resources for 2016/17.
- 5.6. The main source of resources expended are payments in respect of grounds maintenance. These totalled 90% (£668,655) of the £738,884 total resources expended in 2016/17.
- 5.7. Further details on the financial performance of all these elements can be found within the Statement of Accounts and Trustee's report.

## **6. AUDITOR'S REPORT**

- 6.1. The auditor asks the Committee and management for written representations about the financial statements and governance arrangements. To that end Members are asked to consider and approve the draft letter of representation attached as Appendix 2.

## **7. REVIEW OF BALANCES**

- 7.1. The Trust's balances have reduced in recent years, mainly due to reductions in pay and display parking income and increased grounds maintenance costs due to annual contract inflation. The Trust continues to closely monitor and scrutinise its income and expenditure. Council officers are focussing on reducing the net costs of the Trust in the short, medium and long term.

## **8. RISK MANAGEMENT**

8.1. As part of the Trustee’s risk management strategy, the Trustee completes an annual review of the risks the charity may face. The 2016/17 risk assessment is contained in the Trustee’s report on pages 25-26.

8.2. The work has identified only a few risks and the situation is being monitored. A key element in the management of risk is managing income and expenditure and setting a reserves policy for regular review by the Trustee. The review of reserves is set out in section 7 above.

## **9. LEGAL IMPLICATIONS**

9.1. KPMG LLP are required to report the findings from their audit to a properly constituted governance body of the Trust before their opinion on the accounts is issued.

## **10. FINANCIAL AND RESOURCES IMPLICATIONS**

10.1. The financial elements are detailed in the main report.

## **11. CONSULTATION**

11.1. Not applicable.

## **12. EQUALITY IMPLICATIONS**

12.1. Not applicable.

## **13. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

13.1. Not applicable.

### **LOCAL GOVERNMENT ACT 2000** **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Charities SORP (FRS 102) Charities Act 2011	Mark Jones 020 8753 6700	Environmental Services Room 316 Pembroke Road

### **LIST OF APPENDICES:**

Appendix A – WSCT Annual Trustee’s Report and draft Statement of Accounts 2016/17

Appendix B – WSCT Letter of Representation 2016/17

# **Wormwood Scrubs Charitable Trust**

## **Trustees Report 2016/17**

## **Overview of the Year**

The Wormwood Scrubs Charitable Trust (The Trust) exists to ensure that this much valued area of open space in West London is used for the exercise and recreation of Londoners. In its draft local plan, the Old Oak and Park Royal Development Corporation describes the Scrubs as ‘... a cherished public open space and important ecological asset ...’.

In the last year we have:

- Begun to make plans for the £3.3m of funding agreed with High Speed Two to protect and enhance the natural habitats on the Scrubs.
- Ensured the development of Old Oak and Park Royal does not impact adversely on the Scrubs.
- Continued to work closely with the Friends of Wormwood Scrubs through the two Friends who are co-opted members of the governing committee.
- Improved the income of the Trust.

In July 2017 the Trust agreed to temporarily relocate on to its land the Kensington Aldridge Academy school which was badly affected by being close to the Grenfell Tower fire.

## **An Oasis of Green Space in West London**

Wormwood Scrubs is an open space located in the north-eastern corner of the London Borough of Hammersmith and Fulham in west London. It is the largest open space in the Borough, at 80 ha (200 acres), and is one of the largest areas of common land in London. It has been a public open space since the Wormwood Scrubs Act of 1879.

Wormwood Scrubs includes a Local Nature Reserve and there are also areas designated as Sites of Importance for Nature Conservation. These areas include Braybrook Woods, Martin Bell's Wood and the Central Woodland Copse.

Habitats include woodland (plantation), scrub and grassland. Animals include common lizards, approximately 100 species of bird and 20 species of butterfly. There are also approximately 250 native plant species which make up one sixth of UK native flora.

## **Structure, Governance and Management**

Responsibility for the management of the Trust rests with the Wormwood Scrubs Charitable Trust Committee of the London Borough of Hammersmith and Fulham. This consists of three Councillors and two co-opted members, advised by senior council officers. The Committee is charged with managing all the affairs of the Trust, improving the focus and performance of the Trust and ensuring it achieves its charitable objectives. The Committee members for 2016/17 were Councillors Wesley Harcourt, Joe Carlebach and Elaine Chumnerly.

The two non-voting co-opted members were Miriam Shea and Sir Stephen Waley-Cohen. Both are also members of the Friends of Wormwood Scrubs.

The London Borough of Hammersmith and Fulham (LBHF or 'The Council') is the sole corporate trustee for the Trust.

Day to day running of the Trust is undertaken by officers in line with the Committee's scheme of delegation. The de facto chief executive of the Trust is Kim Dero, the Council's interim chief executive. David Page, director for safer neighbourhoods, was the main officer responsible for the day to day running of the Trust in 2016/17.

Hitesh Jolapara, the Council's strategic finance director is the Trust's chief finance officer but day to day financial management of the Trust is undertaken by Mark Jones, director for finance and resources, environmental services.

### **Objectives**

Wormwood Scrubs is the subject of a charitable trust created by the Wormwood Scrubs Act 1879. The Council of the London Borough of Hammersmith & Fulham is the sole corporate trustee and holds the land in trust for the "use by the inhabitants of the metropolis for exercise and recreation". This is the Trust's sole objective.

The Trust therefore seeks to encourage sporting and recreational use of Wormwood Scrubs through the provision and maintenance of an environment that is conducive to its objective. The Trust is not linked with the prison located nearby.

The Linford Christie stadium is sited on Wormwood Scrubs and was built by the Greater London Council when that body was responsible for the Scrubs. The stadium is operated by the Council and the Trust makes an annual contribution to its running costs.

In addition to supporting the recreational activities provided by the Council through the Linford Christie stadium, the Trust's main activity relates to the maintenance of the Scrubs itself. Since 6<sup>th</sup> May 2008 idverde UK (which acquired Quadron Services Ltd in 2016) has provided a grounds maintenance service at Wormwood Scrubs following a procurement exercise run by the Council.

The Trustee has paid due regard to the Charity Commission's public benefit guidance in preparing its annual report. The Trust delivers public benefit in meeting its charitable objective of holding the land in trust in accordance with the 1879 Act.

### **Working with the Friends of Wormwood Scrubs**

The Trust continues to work closely with the Friends of Wormwood Scrubs on a regular basis and two members of the friends are co-opted onto the charitable trust as non-voting members. Regular contact has been maintained with the friends throughout the year and the Trust and those involved in the day-to-day management of the site welcome their updates in terms of things seen but also works required.

One walkabout was held with members of the Friends of Wormwood Scrubs at the end of March and this was a good opportunity for both parties to discuss issues and solutions to these directly.

## **High Speed 2 (HS2)**

### **HS2 Bill - Proposed Wetland Mitigation Legal Agreement**

As part of petitioning against the High Speed 2 (HS2) Bill in 2015-16, Council officers were successful in securing assurances that HS2 would enter into an agreement with the Trust to deliver works which would seek to protect the important ecological habitats on Wormwood Scrubs. A summary of the agreed arrangements with HS2 regarding the alternative mitigation scheme is as follows:

- The Trust to deliver an agreed mitigation scheme to be funded by HS2 at an estimated cost of £3.3m
- The value of implementing and maintaining the scheme is initially capped at £3.9m but this cap is to be reviewed once a contractor has been appointed.
- The Trust to prepare tender documentation
- An obligation on both parties to seek value for money
- Both parties to agree on the programme to deliver the mitigation scheme
- An 'open book' arrangement to be introduced to ensure transparency on costs
- The Secretary of State will reimburse the Trust for any reasonable costs incurred in excess of any cap agreed, provided the Trust acts reasonably in accordance with the agreement.

The legal agreement has now been signed and Council officers are continuing to meet with HS2 to develop and progress the work. A development manager with ecology experience will be appointed to oversee the project and it is hoped that they will be in post by Oct 2017.

### **HS2 Bill - Additional Provision 4 (AP4)**

In October 2015 HS2 consulted on their additional provision 4 to the HS2 Bill (AP4) which proposed to re-route the Stamford Brook sewer through the northern section of Wormwood Scrubs. HS2's proposed Stamford Brook sewer works:

- involve digging a 365m long trench running east to west along the northern edge of the Scrubs (south of the embankment),
- would take an estimated 4-6 months to complete,
- would disturb an ecologically rich section of the Scrubs and would cut off sections of the Scrubs for public use, and
- may have a maintenance implication as five new inspection chambers would be installed on the Scrubs to access the sewer.

In January 2016, HS2 provided sufficient assurances, resulting in the Trust not having to appear at Select Committee. The assurances committed HS2 to:

- exploring an alternative option to re-route the sewer away from the Scrubs;
- in the event of re-routing through the Scrubs, HS2 would be required to enter in to a legal agreement requiring them to provide site specific method

statements setting out how they intended to deliver the works and protect the ecological habitats in the process;

- working with Thames Water to ensure that management and maintenance arrangements and costs were factored into the proposed sewer works.

In autumn 2016, LBHF officers secured the legal agreement from HS2 regarding the re-routing of the Stamford Brook sewer through the northern edge of the Scrubs.

HS2 started ground investigations in the Old Oak Common station area in March. The investigations were to be undertaken in the Great Western railway depot and Heathrow Express depot area.

Officers are continuing to work with HS2 to oversee and manage the process and timetable to ensure that any impact to the Scrubs and its users are minimised.

### **Old Oak and Park Royal Development Corporation (OPDC)**

The OPDC came into existence with full planning powers over the Old Oak and Park Royal regeneration area (including most of Wormwood Scrubs, but excluding the Linford Christie stadium) on 1 April 2015.

### **OPDC Draft Local Plan – Reg 18 Consultation, Feb-Mar 2016**

The OPDC carried out public consultation on their Draft Local Plan during February and March 2016. Their draft policy states that the Scrubs is *'a cherished public open space and important ecological asset....carefully considered improvements would be carried out in agreement with the Wormwood Scrubs Charitable Trust, the council and in discussion with the local community'*.

The Friends of Wormwood Scrubs submitted a response reiterating the concerns raised in response to the draft local plan. The council also set out a response which raised concerns that the local plan:

- should state minimum sizes for areas of new public open space to the north of the Grand Union Canal to avoid over reliance on Wormwood Scrubs;
- that any new development in the Old Oak and Park Royal area should seek to provide open space, play facilities, and to avoid over reliance on the Scrubs
- access to and around the Scrubs needs to consider its natural character; and
- needs to work closely with the council and the Trust in developing any proposals and any subsequent impact on ongoing management and maintenance costs.

The OPDC reviewed all comments which would help inform the drafting of the Local Plan which is the subject of a further public consultation over the summer of 2017.

### **OPDC Draft Local Plan Consultation**

The OPDC are consulting on their draft Local Plan from 27 June until 11 September 2017. The draft Plan contains their land use and spatial strategy over the next 15-20 years and contains policies on housing, community facilities, transport, the environment, and more. These policies will guide future development and proposals for development will be



assessed against the policies contained within the OPDC's Local Plan. The Trust will play a full part in responding to that consultation.

The Draft Local Plan can be viewed here: [www.london.gov.uk/opdclocalplan](http://www.london.gov.uk/opdclocalplan)

## **Local Plan Timetable**

Feb 2016	Consultation on 1 <sup>st</sup> Draft (Reg 18 Local Plan)
June 2017	Consultation on 2 <sup>nd</sup> Draft (Reg 19 Local Plan)
Autumn 2017	Submission to the Secretary of State
Early 2018	Local Plan Examination in Public
Spring 2018	Local Plan Adoption

## **Achievements and Performance**

### **Sport**

Currently, the Linford Christie Outdoor Sports Centre (LCOSC) boasts eight full size football pitches, three junior nine-a-side pitches, two junior seven-a-side pitches and two junior five-a-side pitches. In addition, there are two gaelic football pitches, seasonal baseball pitches and a football pitch in the central area of the athletics track which is the home pitch of the Kensington Dragons Football Club senior team. The facility also offers a fully certified athletics track and five all weather pitches.

The facility is the home of Thames Valley Harriers Athletics Club and PHC Chiswick Hockey Club.

A number of other sports activities take place on Wormwood Scrubs. These include,

- Tackle Africa Football Tournament
- London Junior Baseball League
- Race for Life event
- Old Oak community day
- British Athletic League Meetings
- Weekend 5K Parkruns
- Extensive school usage including district sports day

### **Events**

Hire of the 'Red Gra' area for parking provision was very successful in 2016/17 and was a useful source of income for the Trust. Filming units, the Metropolitan Police Service and the Olympia Exhibition Centre were the main users.

Annual events such as the Race for Life have taken place and they were well received by the local residents.

In July 2017, in the aftermath of the Grenfell Tower fire, which was quite close to the eastern side of the Scrubs, the Trust agreed to provide a temporary home for the Kensington Aldridge Academy (KAA) school. The Trust wanted to help this local

school which could not operate in its normal buildings as they were too close to the site of the fire.

The Trust agreed to make the Red Gra area available to temporarily house the school during 2017/18. The Education and Skills Funding Agency (ESFA) are constructing the temporary school, and will pay a fair rent to the Trust for their use of the Red Gra area. The ESFA have agreed to fully reinstate the land when the school returns to its normal site in 2018. There may be opportunities for the school students to take advantage of their temporary location and incorporate the natural environment of the Scrubs into their learning.

The Trust remains interested in facilitating a very small number of larger events and discussions continue with companies that specialise in organising these.

### **Grounds Maintenance and Site Management**

The Scrubs is a highly popular site attracting a diverse range of users from dog walkers to model aircraft flyers to ornithologists to those wanting a quiet walk. The appearance and cleansing of both the grounds and the stadium is very important. Numerous tasks are thus undertaken on a routine and reactive basis to ensure the grounds maintenance of the site is kept at an acceptable standard.

In the past twelve months the following tasks have been scheduled as part of the grounds maintenance contract:

<b>Activity</b>
Inspecting daily three on-site play areas
Maintaining three on-site play areas
Strimming across the site and Linford Christie Stadium
Grass cutting all non-pitch areas across the site
Grass cutting areas of Linford Christie Stadium
Maintaining all wildlife and copse perimeters
Maintaining and pruning of all shrub bed areas
Pruning and maintenance of all hedges
Low level tree works
Spraying of hard surface areas
Maintaining dog areas
Litter picking across the site
Litter picking within the Linford Christie Stadium
Emptying of litter bins
Emptying of dog bins
Cleansing hard surfaces across the site
Cleansing hard surfaces within the Linford Christie Stadium
Cleansing and sweeping synthetic pitch areas within Linford Christie Stadium
Maintenance of the Red Gra area
Leaf clearance across the site
Attending to fly tips
Attending to vandalised or damaged equipment, facilities or surfaces
Liaising with site and facility users

Liaising with Parks Constabulary
Assisting in the preparation for large events
Assisting with Groundwork/Volunteer initiatives

Officers and the contractor, Idverde have worked hard over the last year to increase the number of volunteers, including from companies seeking to fulfill their corporate social responsibilities. These groups have assisted with the maintenance of the Scrubs but also undertaken tasks that would not have been possible otherwise.

The Trust is pleased that schools have also been using the site to self-deliver the Forest Schools education programme ([www.forestschoollassociation.org](http://www.forestschoollassociation.org)).

### **Community Safety**

Wormwood Scrubs continues to be patrolled by the Borough's Parks Police Service. In 2016-17 they carried out 386 patrols, the majority in uniform, by using vehicles and pedal cycles, and on foot. They dealt with 97 Incidents. No major crimes were reported and the majority of incidents involved anti-social behaviour, such as badly behaved dogs and their owners, homeless encampments and thefts from unattended motor vehicles.

The number of dogs being walked by professional dog walkers appears to have increased and a number of fixed penalty tickets were issued for having dogs in excess of the permitted total of four dogs. The Royal Parks now charge £300 per annum for licensing professional dog walkers, which may account for the increased numbers on the Scrubs.

A number of small fires broke out, the largest of which affected an area of 50 square metres and was extinguished by the London Fire Brigade.

A number of joint patrols with HM Immigration Service took place and a number of homeless people trying to live on the Scrubs were served with statutory notices or referred to service providers.

No traveller incursions took place and the use of the Red Gra for film unit bases has helped in ensuring the area appears well used and is unattractive for caravans and travelling communities.

### **Financial Review**

The Trust reported a deficit of £37,339 in 2016/17. This was better than in the previous year due to increased income from events and filming on Wormwood Scrubs land.

<b>Summary of Financial Position</b>	<b>2016/17</b>	<b>2015/16</b>	<b>2014/15</b>	<b>2013/14</b>	<b>2012/13</b>	<b>2011/12</b>
	£	£	£	£	£	£
Total Incoming Resources	698,745	678,572	717,972	638,525	546,201	579,106
Total Resources Expended	(736,084)	(737,772)	(724,506)	(717,576)	(717,853)	(687,501)
<b>Net Outgoing Resources</b>	<b>(37,339)</b>	<b>(59,199)</b>	<b>(6,534)</b>	<b>(79,051)</b>	<b>(171,652)</b>	<b>(108,395)</b>

<b>Total funds brought forward</b>	5,254,619	5,313,818	5,320,353	5,399,404	5,571,056	5,679,451
<b>Total funds carried forward</b>	5,217,280	5,254,619	5,313,818	5,320,353	5,399,404	5,571,056
<b>Cash Balance</b>	<b>235,356</b>	<b>275,570</b>	<b>360,095</b>	<b>333,051</b>	<b>411,403</b>	<b>584,504</b>

The main income sources are pay and display income from the four machines in Wormwood Scrubs Car Park and licence income for the use of the car park. Income from filming and hire of the 'Red gra' area increased significantly in 2016/17.

The Trust contributes to the Linford Christie athletic stadium and other sports facilities located on the Trust grounds, to promote the objectives of the Trust to support exercise and recreation. The Linford Christie Stadium cannot operate without a subsidy, and the Council makes a significant contribution to that. From 2014/15 a commitment was made to the Trust that everything would be done to limit the contribution by the Trust, and that was successfully limited to £31,500 in 2016/17, very close to the figure contributed in the previous year. The figure in the table in the Income and Expenditure Statement is higher at £32,230 because the Trust is required to spread council recharges across a number of expenditure headings, rather than accounting for them on a single line, which was the previous practice.

Expenditure incurred by the Trust is in line with the objectives of the Trust.

In total funds brought forward, the Trust has designated funds of £5,000,001 relating to the valuation of the car park and tangible fixed assets in their existing use. The remaining, unrestricted income funds are solely used for the specific purposes of the Trust. These total £217,279 as at 31 March 2017 (see the Statement of Accounts note 11). They have reduced compared to the previous year because of the net outgoing resources of £37,339 in 2016/17.

Three capital projects were underway on the Scrubs this financial year as part the Council's capital programme, which means that the cost does not fall to the Trust. These were;

- The supply and installation of a play area for young children - this project was completed in 2016/17 at a cost of £46,000.
- The supply and installation of a pull up gym behind Linford Christie Stadium - this project was completed in 2016/17 at a cost of £34,000.
- The BMX track facility – this project has a budget of £15,000 and is expected to be completed in 2017/18.

### **Plans for future periods**

The Committee is determined to bring the financial performance of the Trust to breakeven or better, but expects this to take more than a year to achieve.

In approving the budget for 2017/18 the Committee predicts a loss of £57,189. However this was before the agreement to provide a temporary home for the Kensington Aldridge Academy school which is expected to bring a significant rental income to the Trust in 2017/18. The Trust is also in discussion with UK Power

Networks about achieving a fair annual rent for a piece of Trust land that has been used by UKPN for many years.

The Trust can demonstrate steady progress towards being able to operate at a breakeven position or better. To create a secure financial position in the longer term the Trust is working on optimising the use of its assets by developing events on the Scrubs, and getting the best possible benefits from the development of High Speed 2.

### **Reserves and Treasury Management Policy**

The Trust's reserves policy is to consider the level of its balances annually, taking into account;

- Whether the Trust has approved a balanced budget
- The robustness of the assumptions and calculations that have underpinned the budget strategy
- The frequency and effectiveness of in year budget monitoring
- The effectiveness of Risk Management
- The affordability of its commitments in respect of grounds maintenance and support of the Linford Christie Stadium
- The review of, and the opinion on, the Trust's financial statements by the External Auditor
- The condition of the Trust's assets
- The affordability considerations of prudential borrowing

Currently, the Fund's undesignated funds of £217,279 are in the region of 30% of the turnover of the Trust, which is considered prudent given the factors identified above. Despite achieving some improvements the Trust recognises that balancing its income and expenditure remains a challenge. The Committee established by the Council to run the Trust has a key role in improving financial performance.

Determining an adequate level of balance requires professional judgement in the context of assessing performance against the key criteria listed above. Consequently, it is considered inappropriate to stipulate either a minimum or a maximum level of balances held. It is considered more important that the key criteria are reviewed annually at the time of preparing the annual Revenue Budget and reviewing the previous year's performance.

The cash balance (£235,356) has reduced in recent years mainly due to reductions in pay and display parking income, increased grounds maintenance costs due to annual contract inflation and contributions to the running costs for the Linford Christie Stadium. The Trust continues to closely monitor and scrutinise its income and expenditure. Council officers are focussing on reducing the net expenditure of the Trust in the short, medium and long term. Increased income is being targeted through initiatives to optimise use of the scrubland. Expenditure is restricted to a few significant budget lines.

The Trust's cash balances are managed by the Council. The Council's Treasury Management Strategy Report governing the investment policy adopted, was adopted by the Council in February 2016. The Committee report can be found on the Council's website at the following location:

## **Risk Management**

The Trustee has a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- Establishment of plans to mitigate those risks identified;
- Implementation of steps designed to minimise any potential impact on the charity should those risks materialise.

The work has identified only a few risks and the situation is being monitored. A key element in the management of risk is managing income and expenditure and setting a reserves policy with regular review by the Committee. The full schedule of risks can be found later in this report.

## **Statement of Trustee's Responsibilities in respect of the Trustee's Annual Report and the financial statements**

Under charity law, the Trustee is responsible for preparing the Trustee's Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period. The trustee has elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustee is required to act in accordance with the trust deed (and the rules) of the charity, within the framework of trust law. It is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustee to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Disclosure of Information to Auditors**

The Trustee who held office at the date of approval of this Trustee's Report confirms that, so far as it is aware, there is no relevant audit information of which the charity's auditor is unaware; and the Trustee has taken all steps that ought to have been taken as a trustee to make itself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

### **Auditors**

The Trustee appointed KPMG LLP during the year to undertake the audit of accounts in this year and in the following year. The Independent auditor's report to the Trustee of Wormwood Scrubs Charitable Trust follows on page 14.

**For and on Behalf of Wormwood Scrubs Charitable Trust**

**Signed**

**Name Cllr Wesley Harcourt**

**Date 20 September 2017**



## **Independent auditor's report to the Trustees of Wormwood Scrubs Charitable Trust**

We have audited the financial statements of Wormwood Scrubs Charitable Trust for the year ended 31 March 2017 set out on pages 16 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12 the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Andrew Sayers for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
15 Canada Square  
London, E14 5GL  
6 September 2017

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**WORMWOOD SCRUBS CHARITABLE TRUST**

**STATEMENT OF ACCOUNTS 2016/17**

**Wormwood Scrubs Charitable Trust****Statement of Financial Activities for Year ended 31 March 2017**

Income and Expenditure		2016/17	2015/16
		£	£
Notes	Income and endowments from:		
2	Income from Charitable activities:		
	Pay and Display Parking Meters	(287,012)	(303,538)
	Hammersmith Hospital Car Park Licence	(316,505)	(294,070)
		-	-
3	Other trading activities	(94,509)	(79,261)
4	Income from Investments	(719)	(1,704)
	<b>Total Income and endowments</b>	<b>(698,745)</b>	<b>(678,572)</b>
	Expenditure on:		
5, 8	Charitable activities:		
	Costs of generating Parking Income	-	-
6	Contribution to Linford Christie Stadium	32,230	32,405
	Non Routine Maintenance of Wormwood Scrubs	19,363	20,729
7	Routine Grounds Maintenance of Wormwood Scrubs	684,160	684,032
		-	-
	Other expenditure	331	606
	<b>Total Expenditure</b>	<b>736,084</b>	<b>737,772</b>
	Net gains/(losses) on investments		
	<b>Net (income)/expenditure</b>	<b>37,339</b>	<b>59,199</b>
	Reconciliation of Funds		
	Total funds brought forward	(5,254,619)	(5,313,818)
	<b>Total funds carried forward</b>	<b>(5,217,280)</b>	<b>(5,254,619)</b>

All income was unrestricted.

**Wormwood Scrubs Charitable Trust****Balance Sheet at 31 March 2017**

	2016/17	2015/16
	£	£
<b>Fixed Assets</b>		
9 Tangible Assets	5,000,001	5,000,001
<b>Total Fixed Assets</b>	<b>5,000,001</b>	<b>5,000,001</b>
<b>Add: Current Assets</b>		
Cash in Bank	235,356	275,570
10 Debtors	-	40
<b>Total Current Assets</b>	<b>235,356</b>	<b>275,610</b>
<b>Less: Liabilities</b>		
10 Creditors: Amounts falling due within one year	(18,078)	(20,992)
<b>Total Liabilities</b>	<b>(18,078)</b>	<b>(20,992)</b>
<b>Total Net Assets and Liabilities</b>	<b>5,217,280</b>	<b>5,254,619</b>
	<b>£</b>	<b>£</b>
11 <b>The funds of the charity:</b>		
Unrestricted income funds	(217,279)	(254,618)
Revaluation reserve	(5,000,001)	(5,000,001)
<b>Total Charity Funds</b>	<b>(5,217,280)</b>	<b>(5,254,619)</b>

**Wormwood Scrubs Charitable Trust****Statement of Cash Flows for Year ended 31 March 2017**

	2016/17	2015/16
	£	£
<b>Cash flows from operating activities:</b>		
<sup>12</sup> Net cash provided by (used in) operating activities	(40,933)	(86,229)
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	719	1,704
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	-	-
Proceeds from sale of investments	-	-
Purchase of investments	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>719</b>	<b>1,704</b>
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Receipt of endowment	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(40,214)</b>	<b>(84,525)</b>
Cash and cash equivalents at the beginning of the reporting period	275,570	360,095
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>235,356</b>	<b>275,570</b>

**Approval by the Board**

For and on Behalf of

**The Mayor and Burgesses of the London Borough of Hammersmith and Fulham****Mark Jones****Director, Finance and Resources Environmental Services**

## **Notes to the Accounts**

### **(1) Statement of Accounting Policies**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The trust constitutes a public benefit entity as defined by FRS 102.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required relating to the previous year's accounts, however the necessary changes in terms of presentation and disclosures have been made to bring the report in line with new SORP requirements including the addition of the Statement of Cash Flows and the allocation of governance costs across activities.

#### **(i) Accounting Concepts**

The accounts have been prepared on an accruals basis. That is, on the basis of income being due and expenditure being payable in the related financial year.

The Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to accept the going concern basis of accounting in preparing the financial statements.

#### **(ii) Depreciation**

Depreciation has not been charged to tangible fixed assets (the land or the car park). Any changes in value will be reported as gains or losses on revaluations. The Trustee is not aware of any indication that an impairment has occurred.

#### **(iii) Fixed Assets**

The Trust has ownership of land, passed under the Wormwood Scrubs Act 1879 for the perpetual use of the inhabitants of London for exercise and recreation. Due to the restrictions on the use of the land and its disposal, it is included in the balance sheet at a fair value at the point of donation, as there are no records of this value a nominal value of £1 is used. This is in line with FRS102. The car park is held at historic value. This was initially established by a valuation in 2004, though the Trust does not operate a policy of revaluation.

### **(2) Incoming Resources**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Material income for the Trust includes Pay and Display parking fees and filming income, that would be recognised this way.

The Trust has a licensing agreement with Hammersmith Hospital NHS Trust (HHT), for the use of a limited number of parking spaces within the car park, making use of surplus capacity. The

Trustee's consider that the arrangement is consistent with the Trust's objectives, as the arrangement can be terminated at any time.

### **(3) Income from Other Trading Activities**

	2016/17	2015/16
	£	£
Filming income	(69,809)	(42,407)
Other rental income	(24,700)	(36,854)
	<b>(94,509)</b>	<b>(79,261)</b>

### **(4) Investment Income**

Interest is calculated on an average cash position for the year and is included in the accounts at year end. The interest rate used is the 7 day LIBOR rate, which decreased from 0.59% in 2015/16 to 0.30% in 2016/17.

### **(5) Charitable activities**

Resources expended on charitable activities comprise all the resources applied by the charity in undertaking its work to meet its charitable objectives. The Trust's objectives and work are detailed in the Trustees' Annual Report.

### **(6) Contribution to Linford Christie Stadium**

The Charity contributes to the up-keep of an athletic stadium located on the Trust grounds, not as a cost apportionment exercise but in furtherance of the objectives of the Trust to support recreation. Linford Christie Stadium is managed by the Environmental Services Department.

On 27 November 2006 a yearly contribution of up to £110,000 to the running costs of the stadium was approved by Cabinet as an ongoing commitment. In 2016/17 a contribution of £31,500 (£31,500 in 2015/16) was made to the Linford Christie Stadium.

### **(7) Grounds Maintenance**

The grounds maintenance work undertaken at Wormwood Scrubs is undertaken by the Council's external contractor under a Grounds Maintenance contract that was tendered in 2008 for a period of 7 years. The award of this contract was considered in the best interest of both the Council and the Trust. Until 2001/02 the Trust was not in a position to fund the entire cost of the works and until this point, the Council only received a contribution. Since this time, the Trust has funded the full cost of grounds maintenance costs at Wormwood Scrubs. Grounds Maintenance services are currently provided by the Environmental Services Department of the Council. The continuation of these services are periodically approved by Cabinet Members. This Contract expires in March 2021.

Routine Grounds Maintenance is undertaken in accordance with a series of schedules that form part of the new contract. The fixed element of the contract has increased from £664,931 in 2015/16 to £668,655 in 2016/17 due to a 0.56% inflationary uplift in line with the terms of the contract. The specification included in the new Grounds Maintenance contract represents a significant enhancement to the level of grounds maintenance that currently takes place at Wormwood Scrubs.

Non-routine Grounds Maintenance is identified and commissioned on behalf of the Trust by the contractor.

The Council's Audit Committee formally approved the continuation of the service provided by the Environmental Services Department in June 2009.

## (8) Governance costs

The Governance costs associated with the charity are allocated to each of the Charitable Activities (as per FRS102), as a percentage of the gross expenditure.

The resources expended that relate to the governance of the charity consist of the following:

	2016/17	2015/16
	£	£
Financial Administration and Support fees - these costs result from the statutory requirement to prepare accounts. Also included are the costs of the time spent liaising and meeting with auditors, and attending closing of account meetings.	6,516	5,152
Legal Fees - In the management of the Trust during the year legal advice was required. This was provided by Legal Services of LBHF and the charges were based on a staff time basis.	258	2,133
Audit Fees - It is a statutory requirement that the accounts of the trust should be independently audited.	9,900	13,300
	<b>16,675</b>	<b>20,585</b>

### Allocation of the Governance costs:

Activity

Contribution to Linford Christie Stadium  
 Non Routine Maintenance of Wormwood Scrubs  
 Routine Grounds Maintenance of Wormwood Scrubs

	2016/17	2015/16
	£	£
	730	905
	439	579
	15,505	19,101
	<b>16,675</b>	<b>20,585</b>

## (9) Tangible Assets

The Trust's Land and Buildings include an athletics stadium, pony centre, three-bedroom cottage and single storey parks depot, all of which are valued as a nominal £1 due to the restrictions placed on the use of the land and its disposal.

The athletics stadium was built in 1961 under the Greater London Council (GLC) and prior to the creation of the London Borough of Hammersmith and Fulham, which are now responsible for administering the Trust. There is no available documentation to demonstrate that approval has been gained by the Secretary of State for Defence.

The pony centre was given approval to be built by the Secretary of State for Defence.

The car park is included in the accounts at historic cost in line with FRS102. The value included is £5,000,000. To establish a proxy for historic cost the asset was valued on the 31st March 2004. The Trust does not operate a policy of revaluation.

The car park is classified as a functional tangible fixed asset as the use of this land is considered as consistent with the charities objectives.

The Trust does not depreciate its assets as they are all either without a determinable finite useful life (i.e. land) or of a nominal value (i.e. £1)



## (10) Debtors & Creditors

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where the exact amount of a debtor or creditor was not known at the time of closing the accounts then an estimated amount has been used.

### Creditors

	2016/17	2015/16
	£	£
Trade creditors	(8,178)	(5,527)
Accruals and deferred income	(9,900)	(15,465)
Amount of creditor liabilities as at 31 March 2016	<b>(18,078)</b>	<b>(20,992)</b>

### Debtors

	2016/17	2015/16
	£	£
Trade debtors	-	40
Prepayments and accrued income	-	-
	<b>-</b>	<b>40</b>

## (11) Fund Structure:

The Trust's Unrestricted Funds comprise:

	2016/17	2015/16
	£	£
General	(217,279)	(254,618)
Designated - Fixed Asset Revaluation	(5,000,001)	(5,000,001)
	<b>(5,217,280)</b>	<b>(5,254,619)</b>

All Income and Expenditure are Unrestricted funds solely used for the specific purpose of the Trust. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs, as recharged by LBHF.

The Trustees have designated funds relating to the valuation of the car park and tangible fixed assets in their existing use.

## (12) Net Cash Flow from Operating Activities

	2016/17	2015/16
	£	£
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	(37,339)	(59,199)
<i>Adjustments for:</i>		
<i>Depreciation charges</i>	-	-
<i>(Gains)/losses on investments</i>	-	-
<i>Dividends, interest and rents from investments</i>	(719)	(1,704)
<i>Loss/(profit) on the sale of fixed assets</i>	-	-
<i>(Increase)/decrease in stocks</i>	-	-
<i>(Increase)/decrease in debtors</i>	40	22,882
<i>Increase/(decrease) in creditors</i>	(2,914)	(48,208)
<b><i>Net cash provided by (used in) operating activities</i></b>	<b>(40,933)</b>	<b>(86,229)</b>

### (13) Related Party Transactions:

The Council of London Borough of Hammersmith and Fulham (LBHF) is the trustee of the charity. Most expenditure transactions of the Trust are with LBHF and therefore fall under the definition of related party transactions. However, as stated this does not conflict with the charity's ability to meet its objectives. There are no staff employed directly by the charity.

	2016/17	2015/16
	£	£
<u>a) London Borough of Hammersmith and Fulham as transacting party</u>		
- LBHF as contractor to the Trust		
Environmental Services Department for the provision of Routine Grounds Maintenance of Wormwood Scrubs (Ref Note 6)	668,655	664,931
- LBHF as recipient of contribution		
Contribution to Linford Christie Stadium (Ref Note 6)	31,500	31,500
- LBHF as provider of administrative and management support to the Trust		
Environmental Services Department for management & financial administration services of Wormwood Scrubs	6,516	5,152
Legal Services for the provision of legal advice required in the management of Wormwood Scrubs	258	2,133
	<u>706,929</u>	<u>703,717</u>

### (14) Trustee Remuneration, Benefits and Expenses

The Charities SORP (FRS 102) requires all trustee (or people connected with the charity) remuneration, benefits and expenses to be disclosed, regardless of size. There has been no remuneration, other benefit or expense payments to trustees, or people connected with the charity.

### (15) External Audit Costs

The Trust has incurred the following costs in relation to the audit of the Statement of Accounts and statutory inspections provided by the Trust's external auditors:

	2016/17	2015/16
	£	£
Fees payable to the External Auditor with regard to external audit services carried out by the appointed auditor for the year	9,900	13,300
	<u>9,900</u>	<u>13,300</u>

### (16) Post Balance Sheet Events

The Trust has had no material adjusting or non-adjusting events after the balance sheet date of 31 March 2017.

## **Reference and Administrative details**

<b>Charity Name and Number</b>	Wormwood Scrubs Charitable Trust, Registration No. 1033705
<b>Charity Correspondent</b>	Mark Jones Director for Finance and Resources Wormwood Scrubs Charitable Trust c/o Old Oak Community Centre 76 Braybrook St London W12 0AP
<b>Trustees</b>	The Council of the London Borough of Hammersmith & Fulham
<b>Telephone</b>	020 8753 6700
<b>Email Address</b>	<a href="mailto:mark.jones@wormwoodscrubstrust.org.uk">mark.jones@wormwoodscrubstrust.org.uk</a>
<b>Governing Document</b>	Wormwood Scrubs Act 1879 As Amended By Scheme Of The Charity Commissioners Dated 25 March 2002.
<b>Objects</b>	For recreational use as set out in the Wormwood Scrubs Act 1879
<b>Area of Benefit</b>	Wormwood Scrubs and West London. (Area prescribed by Governing Document)
<b>Area of Operation</b>	Greater London – Hammersmith and Fulham
<b>Registration History</b>	23 Feb 1994 Registered
<b>Auditor Details</b>	KPMG LLP, 15 Canada Square, Canary Wharf London E14 5GL

**Risk Assessment Schedule 2016/17**

<b>Risk Index No.</b>	<b>AREA OF RISK</b>	<b>IMPACT OF RISK</b>	<b>SEVERITY High/Medium/Low</b>	<b>POTENTIAL High/medium/Low</b>	<b>VALUATION</b>	<b>COMMENT</b>
001	High Speed 2 Railway and the development of Old Oak	Adverse impacts on the Scrubs that are contrary to the objectives of the Trust	High	Medium	May not be a financial loss	Trust is engaging with HS2 and TFL and the Old Oak development Corporation to agree outcomes that do not adversely impact.
002	Pay and Display income level	i) Theft of cash boxes. ii) Lower income levels due to decisions taken about Pay and Display tariffs.	High	High	Potential loss of income.	Usage fluctuates. Pay & display tariffs are set to match those in nearby streets. Cashless parking will be implemented within the next year.
003	Hammersmith Hospital Trust car park income	The licensing agreement with Hammersmith Hospital Trust has a three month notice period with a possible impact on the level of income.	High	Medium	Potential loss of income.	The Hospital relies on the car park. The Trust has been successful in securing increased income from this source in recent years.
004	Condition – Wormwood Scrubs car park	Wormwood Scrubs car park is in need of resurfacing.	High	Low	Significant expenditure.	Repair has been agreed as part of the renegotiation of the car park lease with the hospital.
005	Insurance claims against Trust	Liability of trust in case of personal injury claims.	Low	Low	Possible liability of Trust in case of insurance claim.	Wormwood Scrubs would be covered by the Council's insurance.
006	Safety of Artillery Wall	Cost of demolition, collapse could possibly lead to damage or liability of Trust.	Low	High	Cost of demolition or insurance claims.	The condition of the wall is being monitored. The Council are considering demolishing it at no cost to the Trust.

<b>Risk Index No.</b>	<b>AREA OF RISK</b>	<b>IMPACT OF RISK</b>	<b>SEVERITY High/Medium/Low</b>	<b>POTENTIAL High/medium/Low</b>	<b>VALUATION</b>	<b>COMMENT</b>
007	Costs of Operating Linford Christie Stadium	Contribution by the Trust varies according to the trading conditions for the Stadium	High	Medium	Expenditure could be significant	In some years this contribution has been small, but it is volatile. The financial performance of the Stadium is monitored closely

Andrew Sayers  
KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

19<sup>th</sup> September 2017

Dear Andrew

This representation letter is provided in connection with your audit of the financial statements of Wormwood Scrubs Charitable Trust ("the Charity"), for the year ended 31 March 2017, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the state of the Charity's affairs as at 31 March 2017 and of its surplus or deficit for the financial year then ended;
- ii. whether the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including Charities SORP FRS 102: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)); and
- iii. whether the financial statements have been prepared in accordance with the Charities Act 2011.

These financial statements comprise the Balance Sheet, the Statement of Financial Activities, the Cash Flow Statement, and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Trustee confirms that the Charity is exempt from the requirement to also prepare consolidated financial statements.

The Trustee confirms that the representations they make in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Trustee confirms that, to the best of their knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing themselves:

### **Financial statements**

1. The Trustee has fulfilled their responsibilities for the preparation of financial statements that:
  - i. give a true and fair view of the state of the Charity's affairs as at the end of its financial year and of its surplus or deficit for that financial year;
  - ii. have been properly prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP") (including Charities SORP FRS 102: Statement of Recommended Practice applicable to charities preparing their

- accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)); and
- iii. have been prepared in accordance with the Charities Act 2011.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Trustee in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which section 32 of FRS 102 requires adjustment or disclosure, have been adjusted or disclosed.

#### **Information provided**

4. The Trustee has provided you with:
  - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from the Trustee for the purpose of the audit; and
  - unrestricted access to persons within the Charity from whom you determined it necessary to obtain audit evidence.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
6. The Trustee confirms the following:
  - i) The Trustee has disclosed to you the results of their assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets

- ii) The Trustee has disclosed to you all information in relation to:
  - a) Fraud or suspected fraud that it is aware of and that affects the Charity and involves:
    - management;
    - employees who have significant roles in internal control; or
    - others where the fraud could have a material effect on the financial statements; and
  - b) allegations of fraud, or suspected fraud, affecting the Charity's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Trustee acknowledges their responsibility for such internal control as they determine necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Trustee acknowledges their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

7. The Trustee has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
8. The Trustee has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with section 21 of FRS 102, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
9. The Trustee has disclosed to you the identity of the Charity's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with section 33 of FRS102.
10. The Trustee confirms that:
  - a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Charity's ability to continue as a going concern as required to provide a true and fair view.
  - b) No events or circumstances have been identified that may cast significant doubt on the ability of the Charity to continue as a going concern.

This letter was tabled and agreed at the meeting of the Wormwood Scrubs Charitable Trust Committee on behalf of the Trustee on 19 September 2017.

Yours faithfully,



Hitesh Jolapara  
Strategic Finance Director

For and on Behalf of  
The Mayor and Burgesses of the London Borough of Hammersmith and Fulham



## **Appendix to the Trustee's Representation Letter of Wormwood Scrubs Charitable Trust: Definitions**

### **Financial Statements**

A complete set of financial statements comprises:

- a Balance Sheet as at the end of the period;
- a Statement of Financial Activities for the period; and
- a Cash Flow Statement for the period; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

### **Material Matters**

Certain representations in this letter are described as being limited to matters that are material.

FRS 102 states that:

“Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or combination of both, could be the determining factor.”

### **Fraud**

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

### **Error**

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

### **Management**

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

### **Qualifying Entity**

A member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation by means of full consolidation.

### **Related parties**

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in FRS 102 as the “reporting entity”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
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  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. The entity is a retirement benefit scheme for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a scheme, the sponsoring employers are also related to the reporting entity.
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The transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a price is charged.

Andrew Sayers  
KPMG LLP  
15 Canada Square  
Canary Wharf  
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E14 5GL

19<sup>th</sup> September 2017

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Hitesh Jolapara  
Strategic Finance Director

For and on Behalf of  
The Mayor and Burgesses of the London Borough of Hammersmith and Fulham

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### **Related party transaction**

The transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a price is charged.

<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>WORMWOOD SCRUBS CHARITABLE TRUST COMMITTEE</b></p> <p align="center"><b>19 September 2017</b></p>	
<p><b>MANAGERS REPORT</b></p>	
<p><b>Report of the Director for Transport and Highways and the Director for Finance and Resources, Environmental Services</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification: For review and comment</b></p>	
<p><b>Key Decision: No</b></p>	
<p><b>Wards Affected:</b> College Park and Old Oak</p>	
<p><b>Accountable Director:</b> Mahmood Siddiqi, Director for Transport and Highways</p>	
<p><b>Report Author:</b> Mark Jones, Director for Finance and Resources</p>	<p><b>Contact Details:</b> Tel: 020 8753 6700 E-mail: mark.jones@lbhf.gov.uk</p>

<p>AUTHORISED BY: .....</p> <p>.....</p> <p>DATE: .....</p>
---

**1. Executive Summary and Decisions Sought**

1.1 The Committee is asked note all matters in the report.

**2. HS2 Bill - Proposed Wetland Mitigation Legal Agreement**

2.1. LBHF officers secured assurances from HS2 regarding the proposed wetland mitigation proposals on Wormwood Scrubs.

2.2. Officers met with HS2 in May to progress the project. It was agreed that a Development Manager with ecology experience would be appointed to oversee the project. The recruitment process is currently underway and the deadline for application submissions is 11 Sept. It is hoped that an officer will be in post shortly after the interview process.

**Committee to Note**



### **3. HS2 Bill Re-Routing Stamford Brook Sewer Legal Agreement**

- 3.1. LBHF officers secured a legal agreement from HS2 regarding the re-routing of the Stamford Brook Sewer through the northern edge of the Scrubs.
- 3.2. Officers reported to WSCT in March that HS2 Ltd were due to start ground investigations in the Old Oak Common station area in March. The investigations were to be undertaken in the Great Western railway depot and Heathrow Express depot area.
- 3.3. Officers also reported that to get a greater spread of ground water monitoring and boreholes in the area HS2 require access to Wormwood Scrubs to undertake some Ground investigations. These would include 8 Cone Penetration Tests (CPT's), going into maximum depth of 30m with 2 locations also having rotary borehole depth to approximately 70m. The CPT's would be bored and filled in on the same day. The two boreholes would take approximately a week each and upon completion they would be covered with a flush cap that can be used for monitoring throughout the duration of the station project. The holes would be designed as 'permanent' as HS2 Ltd require them to remain for longer than 6 months. However, if the council requested for them to be filled in after the civil work at OOC are completed this is a possibility. Although the council may also wish to keep them for their own monitoring purposes.
- 3.4. WSCT members expressed concern regarding the borehole covers and whether they could be tampered with, removed or someone could fall in. At the WSCT in June officers reported that the boreholes are approximately 150mm-200mm in diameter and therefore it would not be possible a person to fall in. HS2 have also confirmed that they can be locked and could only be opened using a hex head specialist hammer used by their contractors.
- 3.5. WSCT Members asked for further clarification on who would be liable for an incident arising from the installation of the boreholes. HS2 officers confirmed that the contractor who installs the borehole would be taking periodic monitoring measurements from any that are installed with equipment. These locations would be the responsibility of the principal contractor until they are novated over to another principal contractor for early works or they are decommissioned & removed. Any post de-commissioning report would require a site condition handback to LBHF to verify and accept.

#### **Committee to Note**

### **4. Filming and Events Update – Jem Kale**

- 4.1 Secret Cinema has provisionally booked for July/August 2018. Maximum net income £150k for 5 sessions in a week for 4 weeks. If the temporary school

still occupies the Red Gra next year, a temporary secure marshalling area will be created.

- 4.2 The large winter wonderland project proposer has not provided financial details so far. The council has requested the information to be provided by October 2017.

### **Committee to Note**

## **5. Community Safety Update – Mike Rumble**

- 5.1. Parks Police carried out 102 patrols of WWS during Quarter One and dealt with 31 incidents. These included the discovery of a number of concealed weapons including six crossbow bolts, a 9mm automatic pistol and two paintball rifles.
- 5.2 Animal related incidents included a dog on dog attack involving a ‘professional’ dog walker who was reported for having an excessive number of dogs.
- 5.3 Four ponies and traps were seen exercising on the Scrubs and their drivers were advised that they should not race.
- 5.4 Officers took part in a search for a suicidal male who had expressed the intention of coming to WWS for a final time. He was later located safe & well in another location.

### **Committee to Note**

## **6. Grounds Maintenance and site management update – Ian Ross**

- 6.1 Litter continues to be a major challenge for the maintenance team at the site but we do believe progress is being made albeit slowly.
- 6.2 Pitches were marked out in late August/early September. These have been reviewed and the number of adult pitches has been reduced and the number of smaller side/junior pitches have been increased to meet demand. We believe this may flush out some users who haven’t been booking.
- 6.3 We have had further volunteer sessions from Disney and we hope this will be ongoing. They continue to concentrate on litter in the copses along Braybrook Street but also did some work to the picnic tables in the ‘old tent city’.
- 6.4 With the building of the school, officers have been working closely with colleagues and Idverde to identify alternative areas where some of our long-term bookings (funfair, carnival, etc.) can be accommodated elsewhere on the scrubs.
- 6.5 The advert for the Wormwood Scrubs Development Manager was placed during August and the closing date was Sunday 10<sup>th</sup> September. Interviews will take place in the week commencing Monday 25<sup>th</sup> September.

## Committee to Note

### 7. Financial Forecast 2017/18

7.1. The latest financial forecast for Wormwood Scrubs Charitable Trust (“the Trust”) for 2017/18 is summarised below and is detailed in Annexe A. Financial transactions for the financial year to date are set out in Annexe B.

Activity	Outturn 2015/16	Outturn 2016/17	Budget 2017/18	Forecast 2017/18	Variance	Movement Between Years	Comments	Last Reported	Movement
Pay and Display Parking Meters	(303,538)	(287,012)	(287,225)	(293,951)	(6,726)	2%	Parking income for Q1 were 8% higher than during the same period last year; the rest of the year is forecast to be in line with 2016/17 receipts although it is hoped that the upturn in income seen in Q1 will continue.	(287,012)	(6,939)
Hammersmith Hospital Car Park Licence	(294,070)	(316,505)	(322,896)	(322,896)	0	2%	Contracted lease payments forecast to increase by 2% in 2017/18.	(322,896)	0
Other income from activities for generating funds	(80,964)	(95,873)	(90,112)	(86,217)	3,895	-10%	Income for 2017/18 showed strong growth in the first two quarters compared with 2016/17, but the temporary relocation of the Kensington Aldridge Academy on the Scrubs has cast doubt over likely income for the remaining two quarters.	(86,578)	360
<b>Total income and endowments</b>	<b>(678,572)</b>	<b>(699,390)</b>	<b>(700,234)</b>	<b>(703,065)</b>	<b>(2,831)</b>	<b>1%</b>		<b>(696,486)</b>	<b>(6,579)</b>
Grounds Maintenance	684,032	686,568	699,473	707,929	8,456	3%	Inflation for 2017/18 is 3.007%	707,929	0
Contribution to Linford Christie Stadium	32,405	32,344	32,312	32,376	64	0%	Includes an element of estimated governance costs for 2017/18.	32,376	0
Other Expenditure	21,335	20,617	25,637	22,949	(2,688)	11%	Estimated cost of car park survey £4,900 (tbc if this will be carried out), non-routine grounds maintenance costs estimated at £15,400 and other ad hoc expenditure estimated at £2,600 based on average costs over the last two financial years.	22,949	0
<b>Total Expenditure</b>	<b>737,772</b>	<b>739,529</b>	<b>757,423</b>	<b>763,254</b>	<b>5,831</b>	<b>3%</b>		<b>763,254</b>	<b>0</b>
<b>Net (income)/expenditure</b>	<b>59,199</b>	<b>40,139</b>	<b>57,189</b>	<b>60,189</b>	<b>3,000</b>	<b>50%</b>		<b>66,768</b>	<b>(6,579)</b>

7.2. The budget for 2017/18 was set with an anticipated £57,189 deficit to be drawn down from the Trust’s reserves. The forecast for 2017/18 is for a deficit of £60,189, which is £3,000 worse than budget.

7.3. The Trust’s opening cash balance for 2017/18 is £235,431. The latest forecast anticipates a drawdown of £60,189 (26% of the current cash balance), which would give a cash balance of £175,241 to carry forward to 2018/19. This is £3,000 worse than the original forecast drawdown on reserves.

7.4. The Retail Price Index (RPI) indices used to calculate the contractual uplift on the grounds maintenance contract were forecast to be 1.98% during budget setting. However, the actual uplift is 3.007% for 2017/18. This has increased the expenditure budget by £20,645, £8,456 higher than assumed during budget setting.

7.5. In Quarter 1 we made a cautious assumption about the likely income from events in 2017/18 and the forecast was based on income levels in 2016/17. The actual income for the first two quarters has seen significant growth on last year already standing at around £70,000. The income from filming in the first two quarters has already exceeded the annual projection due to a large scale filming exercise in the early summer.

7.6. However, the overall forecast remains unchanged as the temporary relocation of the Kensington Aldridge Academy on the Scrubs site has cast doubt on the possible income that will generated for the remainder of the year as some

events may not be able to take place. For example, parking of police vehicles during the Notting Hill Carnival was not possible this year due to the school's relocation resulting in the loss of approximately £3,100 income. Further information on how long the school will be located on the site and whether any rental income will be paid is being sought from colleagues as well as an assessment of the impact on filming and events income.

- 7.7. Income from UKPN is not included in the projection.
- 7.8. Parking income for the first quarter grew by 8% compared to the same period last year improving the forecast income by £6,939 compared to that reported in Quarter 1. We have cautiously assumed the income for the remainder of the year will be in line with that received in 2016/17 but remain optimistic that the recent growth will continue.
- 7.9. We are likely to see some costs for the conversion to cashless parking, but we do not know what those are yet.

**Committee to Note**

**8. Legal Comments**

- 8.1. There are no legal implications.
- 8.2. Comments provided by David Walker, Principal Solicitor, david.walker@rbkc.gov.uk

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		

## Current Financial Forecast

### WORMWOOD SCRUBS CHARITABLE TRUST

#### STATEMENT OF ACCOUNTS 2017/18

<b>Wormwood Scrubs Charitable Trust</b>			
<b>Statement of Financial Activities for Year ended 31 March 2018</b>			
Income and Expenditure	2017/18	2016/17	Notes
	£	£	
<b>Income and endowments from:</b>			
Donations and legacies			
Income from Charitable activities:			
Pay and Display Parking Meters	(293,951)	(287,012)	Parking income has seen some growth in Q1 but the forecast for the rest of the year is in line with 2016/17 receipts.
Hammersmith Hospital Car Park Licence	(322,896)	(316,505)	Contracted lease payments forecast to increase by 2% in 2017/18.
Other trading activities	(85,498)	(95,154)	Income for 2017/18 showed strong growth in the first two quarters compared with 2016/17, but the temporary relocation of the Kensington Aldridge Academy on the Scrubs has cast doubt over likely income for the remaining two quarters.
Income from Investments	(719)	(719)	Forecast interest on cash balance.
Other Income	0	0	
<b>Total Income and endowments</b>	<b>(703,065)</b>	<b>(699,390)</b>	
<b>Expenditure on:</b>			
Raising funds			
Charitable activities:			
Costs of generating Parking Income	4,900	0	Car park survey not carried out in 2016/17, tbc if this will be conducted in 2017/18.
Contribution to Linford Christie Stadium	32,376	32,344	Contribution to LCS plus proportion of governance costs.
Non Routine Maintenance of Wormwood Scrubs	15,433	15,991	Expenditure on non-routine grounds maintenance plus proportion of governance costs.
Routine Grounds Maintenance of Wormwood Scrubs	707,929	686,568	Grounds Maintenance contracted spend plus proportion of governance costs.
Other expenditure	2,616	4,626	
<b>Total Expenditure</b>	<b>763,254</b>	<b>739,529</b>	
Net gains/(losses) on investments			
<b>Net (income)/expenditure</b>	<b>60,189</b>	<b>40,139</b>	
<b>Reconciliation of Funds</b>			
Total funds brought forward	(5,214,479)	(5,254,619)	
<b>Total funds carried forward</b>	<b>(5,154,290)</b>	<b>(5,214,479)</b>	

## Transactions to Date

Activity	Comments	Amount
Other expenditure	Recruitment Costs	3,207.56
Non Routine Maintenance of Wormwood Scrubs		150.00
Non Routine Maintenance of Wormwood Scrubs		3,033.00
Governance Costs	Audit Fees	-
Other trading activities	Historic balance correction	12,700.00
Pay and Display Parking Meters	Wormwood Scrubs Income April 2017	-645.00
Pay and Display Parking Meters	Wormwood Scrubs Income April 2017	-17.80
Pay and Display Parking Meters	Wormwood Scrubs Income April 2017	-
Pay and Display Parking Meters	Wormwood Scrubs Income April 2017	23,669.25
Pay and Display Parking Meters	Wormwood Scrubs Income May 2017	-
Pay and Display Parking Meters	Wormwood Scrubs Income May 2017	28,023.25
Pay and Display Parking Meters	Wormwood Scrubs Income June 2017	-
Pay and Display Parking Meters	Wormwood Scrubs Income June 2017	26,999.20
Pay and Display Parking Meters	Wormwood Scrubs Income July 2017	-
Pay and Display Parking Meters	Wormwood Scrubs Income July 2017	25,519.55
Hammersmith Hospital Car Park Licence	2017/18 Q1 Hospital Car Park Rental	-
Hammersmith Hospital Car Park Licence	2017/18 Q1 Hospital Car Park Rental	80,325.49
Hammersmith Hospital Car Park Licence	2017/18 Q2 Hospital Car Park Rental	-
Hammersmith Hospital Car Park Licence	2017/18 Q2 Hospital Car Park Rental	80,325.49