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 Brent	Barham Park Trust Committee 24 th January 2024
	Report from the Chief Executive
Barham Park Trust Accounts 22/23 – Outputs from a high-level review commissioned by the Chief Executive of Brent Council	
Wards Affected:	Wembley Central
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	None
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Kim Wright, Chief Executive 020 8937 1011 Kim.Wright@brent.gov.uk

1.0 Executive Summary

- 1.1. This report provides a summary of the high-level consultancy based review relating to concerns and issues raised regarding the Barham Park Trust (BPT) Accounts for the year ended 31 March 2023.

2.0 Recommendation(s)

- 2.1 To note the contents of this report.

3.0 Detail

- 3.1. The Chief Executive commissioned a high-level consultancy based review of the BPT accounts for year ended 31 March 2023 at the end of September 2023. The final review report was issued to the Chief Executive on 10 November 2023.
- 3.2 During the period that the review was being undertaken there was a ‘call-in’ of the BPT decision taken at their meeting of 26 September 2023. This resulted

in a Resources and Public Realm Scrutiny meeting being held specifically to discuss this on 26 October 2023. The decision taken at that meeting agreed:

- To refer the called-in decision back to the Barham Park Trust Committee for reconsideration once the high-level consultancy-based review commissioned by the Chief Executive had concluded with the Committee also keen to welcome the Chief Executive sharing her reflections on the outcome of the review with the Trust Committee.
- 3.3 The report commissioned by the Chief Executive was never intended to provide the range of assurance as is perhaps intimated by the recommendation. The review was only ever limited to a narrow scope relating to specific concerns which are set out in para 3.4 - 3.6 of this report. Furthermore, it was never intended that the full report be published publicly in accordance with standard protocols regarding Internal Audit reports.
- 3.4 The high-level consultancy based review was seeking to achieve the following objectives:
1. *To independently and objectively review the concerns raised by Councillor Lorber in respect of the accuracy of the Barham Park Trust accounts for the year ended 31 March 2023, to determine whether any errors or misstatements are presented within the accounts.*
 2. *To review the responses provided by officers in respect of the concerns raised by Councillor Lorber regarding the accounts, to determine whether these provided accurate and sufficient information/detail.*
- 3.5 The scope of the review covered the concerns raised by Councillor Lorber with respect to the accuracy and integrity of the accounts. These were expressed via a large number of emails and correspondence to Council officers, which were responded to as part of the Member Enquiry process. In addition, in his capacity as a Trustee of the Friends of Barham Library, he wrote directly to the Chief Executive on 8 September, 20 September, 26 September (as at the date the review was commissioned) to escalate his concerns. These emails covered a broad range of topics and concerns including that, in his view, the issues and concerns he raised and continued to raise relating to the accounts had been ignored.
- 3.6 Specifically, the scope was as follows:
1. *The revised accounts for the year 2022/23 are fundamentally wrong and should not be approved. They are inconsistent with previous years, do not reflect the correct income due to the Charity, overstate the Charity expenses and do not provide information in an understandable and clear way that makes review and scrutiny of those accounts easy.*
 2. *The presentation of rental income is incorrect;*
 3. *The subsidy the Council provides to the Barham Park Trust is not reflected in the accounts;*

4. *The netting off of income and expenditure is incorrect;*
5. *The Trust has been deprived of interest income;*
6. *The Council has failed to follow correct procedures in ensuring than an 'arms length rent' from a Children Centre is paid.*
7. *There has been a failure to implement rent reviews;*
8. *The accounts for the current and previous years fail to reflect both the NCIL Grant Income received and the expenditure on which the Grant was spent on;*
9. *The Accounts fail to show enough detail in relation to the expenditure line of "maintenance and wardens; and*
10. *Why the Charity is incurring an insurance charge of £2,500;*
11. *Officers cannot confirm if the £300,000 income from newly redeveloped buildings is gross or net of expenses.*
12. *The following matters concerning ACAVA:*
 - a. *The rent and service charges payable and how this is reflected within the accounts;*
 - b. *Their rent has not been raised in line with CPI;*
 - c. *The rent owed/outstanding and why interest has not been applied against this.*

3.7 It is important to note the limitations of the review too, in order to understand what it was never intended to be. The review did not form a full audit of the BPT accounts and was never asked to provide an opinion on whether the accounts presented a true and fair view. In addition, the concerns raised were looked at strictly from an accountancy perspective. Therefore, it was asked to clarify if there had been any failures operationally (in the day to day running of the Trust) to carry out certain activities that may have led to the perceived issue with the accounts set out at paragraph 3.6.

3.8 I am satisfied that the objectives and scope which I set for the review have been met. Furthermore, I am satisfied that the review did not identify any material issues relating to the accuracy of the accounts. However, there have been areas identified where the accounts could be presented in a more clear and transparent way moving forward. This is particularly in the way rental income is presented and how the netting off of income and expenditure is shown.

3.9 There were also some helpful observations made regarding operational practices concerning the running of the Trust which could impair, or be perceived to impair, the Council's arm's length relationship with the Trust. In particular:

1. The trust not having its own bank account (up until recently);
2. The award and management of NCIL funds for park improvements being managed by the Council;
3. A lack of rent reviews undertaken by the Trust owing to the ongoing feasibility study commissioned by the Council;
4. Cash advances being paid to the Trust for rents overdue.

3.10 I have discussed these actions and observations with the appropriate officers, and all have agreed to implement the actions. In addition, whilst the rationale

for the practices set out at 3.9 is clear existing practices are neither improper nor have any impact on the accuracy of the accounts, I have asked officers to review its management of the Trust to ensure that appropriate segregation and separation is in place where appropriate to clearly distinguish between activities of the Council and activities of the Trust.

- 3.11 I am confident in the outputs from the review which I commissioned and am satisfied that officers will make the necessary changes to respond to the recommendations and observations.

4.0 Stakeholder and ward member consultation and engagement

- 4.1 Councillor Lorber, as both a Ward Councillor and as a Trustee of the Friends of Barham Park Library engaged comprehensively on the issues contained within this report.

5.0 Financial Considerations

- 5.1 None

6.0 Legal Considerations

- 6.1 In accordance with the Charities Act, the Trust Committee must ensure that accounting records are kept in respect of the charity which are sufficient to show and explain all the charity's transactions and prepare a statement of accounts.
- 6.2 If a charity's gross income in any financial year does not exceed £250,000, the charity trustees may, in respect of that year, elect to prepare — (a) a receipts and payments account, and (b) a statement of assets and liabilities, instead of a statement of accounts.
- 6.3 An independent audit of financial statements is required if the charity's gross income in that year exceeds £1 million, or the charity's gross income in that year exceeds £250,000 (the accounts threshold) and at the end of the year the aggregate value of its assets (before deduction of liabilities) exceeds £3.26 million.
- 6.4 Where those thresholds do not apply and the Charities gross income in a financial year exceeds £25,000, the accounts of the charity for that year must, be examined by an independent examiner, and that independent person can be someone who is reasonably believed by the trustees to have the requisite ability.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

- 7.1 None

8.0 Climate Change and Environmental Considerations

- 8.1 None

9.0 Human Resources/Property Considerations (if appropriate)

9.1 None

10.0 Communication Considerations

10.1 None

Report sign off:

Kim Wright

Chief Executive of Brent Council