



MINUTES OF THE BARHAM PARK TRUST COMMITTEE

Held in the Conference Hall, Brent Civic Centre on Wednesday 4 December 2024 at 11.00 am

PRESENT: Councillor M Butt (Chair), M Patel (Vice-Chair) and Councillors Donnelly-Jackson, Farah and Grahl.

1. **Apologies for Absence and Clarification of Alternate Members**

Apologies for absence were received from Councillor Krupa Sheth, with Councillor Grahl attending as a substitute.

2. **Declarations of Interests**

No interests were declared at the meeting.

3. **Minutes of the Previous Meeting**

RESOLVED that the minutes of the previous meeting held on Tuesday 10 September 2024 be agreed as a correct record.

4. **Matters Arising (if any)**

None.

5. **Barham Park Trust Annual Report and Accounts 2023-24**

Ravinder Jassar (Deputy Director Finance) introduced the Trust Annual Report 2023-24, which included the Trust Account, for consideration and approval prior to submission to the Charity Commission.

In considering the report the Trust Committee noted the update provided following withdrawal of the Annual Accounts from the previous meeting held on 10 September 2024 to enable further professional advice to be sought from the Charity Commission on the way in which interest earned on Restricted Funds should be treated for accounting purposes. Whilst not required to follow the Charities Statement of Recommended Practice (SORP) FRS 102 due to the size of the Trust, guidance contained with the SORP had, and it was confirmed would continue, to be applied (as recommended best practice) in relation to the Trust Accounts with advice also received from the Commission having confirmed that interest earned on restricted funds was allowable on expenditure in line with the terms of the Trust. This meant no amendment had been required to the accounts originally submitted.

To enhance transparency, however, members were advised that the interest earned on restricted funds had been recorded under restricted funds. A transfer had then

been recorded in the accounts to move this to unrestricted funds to reflect its use on Maintenance and Wardens, in line with the terms of the Trust.

The Chair thanked Ravinder Jassar for the update provided and then invited comments in response to presentation of the 2023 – 24 Annual Report and Accounts, with the following issues raised:

- In noting the reasons for the initial deferral, an assurance was sought that no inaccuracies had been identified within the Accounts. In response, Ravinder Jassar confirmed that the clarification provided had not impacted on the cash funds recorded within each fund at the end of the financial year meaning a restatement of the accounts had not been required as the transfer between funds had been for presentational purposes only. Members were advised that no other issues having been identified from an accounting perspective.
- In regards to financial projections going forward, further details were sought on the robustness of the plans designed to manage and maintain the Barham Park building pending the longer term options being developed. In response Tanveer Ghani (Director of Property & Assets) updated members on progress with the approach adopted at the previous meeting focussing on the following areas:
 - Management of rents and arrears – The Trust Committee was advised that as of 31 March 2024, £44,500 had been owed in rental income relating to rents for the period 1 April 2023 and 31 March 2024. The Council provided a £44,500 cash advance for the Trust in order to aid the Trust's cashflow position and avoid a potential detrimental impact of uncollected receipts on the Trust's financial position. This had been recognised as debt on the Council's side with debt recovery being actively pursued. As of 31 October 2024, £23,585 (53%) of the £44,500 rental income due had been collected.

As of 31 March 2023, the rental income owed to the Trust but uncollected during 2022-23 was £39,625, of which a net £27,092 (which included a £12,533 payment that was due but not yet paid) cash advance had been provided by the Council. As of 31 October 2024, £36,289 (91.7%) of the £39,625 had been collected with no other outstanding rental income due from prior years. Officers continued to work collaboratively with tenants, on behalf of the Trust, to address arrears through payment plans and negotiation with the approach proving effective in ensuring that tenants could recover and meet their obligations over time, without the burden of accruing late fees and the aim of clearing arrears by the end of the current financial year.

- In terms of tenant management, the Trust Committee were advised that rent reviews were also now in the process of being completed with individual negotiations ongoing with the tenants whose leases had or were due to expire. Following approval of new Head of Terms, negotiations were also underway in order to finalise the position regarding the lease of Unit 7. With regard to the wider and longer term development plans, consultation proposals were being prepared for

individual engagement with each tenant prior to final approval being sought from the Charity Commission.

- In regards to ongoing maintenance works, the Trust Committee was advised that a project surveyor had now been appointed in order to prepare a package of works for procurement purposes. Approval was also in the process of being sought from the Charity Commission to enable the use of the Restricted Funds held by the Trust to support this work, with the balance of these Funds as of 31 March 2024 being £353,152.

Members expressed their support for the progress made and approach being taken towards the management and clearance of arrears and work being developed to ensure tenants were fully engaged prior to the longer term development options being taken forward.

- In noting that the Trust had achieved an overall surplus of £63,023, net of receipts and payments, and increased its total cash funds during 2023-24, Members sought further details asked about the plans being developed to ensure the Trust's liabilities over the next 5-10 years in relation to the longer term development options could be taken forward on a financially sustainable basis. In outlining the phased approach which had been adopted, members were reminded that implementation would be undertaken on a phased basis beginning with the operational property related matters (agreed at the previous meeting) in terms of regularising leases, carrying out urgent repairs and, subject to Charity Commission approval, expanding the permitted uses to attract a broader range of tenants to improve cash flow enabling an incremental investment approach as a means of providing the basis to support sustainable long-term growth and enabling a long term investment plan to be developed.
- In noting the clarification and assurance provided regarding the basis on which an independent examination rather than independent audit of the Trust Accounts had been undertaken (as detailed within section 3.6 of the report), members noted the outcome of the examination (attached as Appendix 3 to the report) with no recommendations or issues identified as needing to be brought to the attention of the Trust Committee.
- As a final issue, further details were sought on the way in which the interest charge was calculated on cash balances held by the Trust. In response officers advised that the interest charge was calculated on the average cash balance held by the Trust, previously agreed at 2%. In order to ensure the Trust was treated fairly and as a result of fluctuations in interest rates, this approach had been changed during 2023-24 with the interest rate now calculated using the Council's average prudential borrowing rate for the year (4.96%). In order to further improve transparency, confirmation was also provided that (as previously agreed) an application for a new separate bank account to be opened for the Trust had also been submitted which enabled funds to be held separately from the Council in an interest-bearing account. The Trust now operated two separate bank accounts one for day to day transactions and one requiring longer notice in order to obtain a higher rate of interest split as required between the Restricted and Unrestricted funds.

As no further issues were raised the Chair thanked officers for their ongoing work and presentation of the Accounts, and the Trust Committee **RESOLVED** to:

- (1) Approve the Annual Report and Barham Park Trust's Accounts for 2023-24, having noted the update on the professional advice sought following their withdrawal from the meeting held on 10 September 2024.
- (2) Note the Independent Examiner's Review of Barham Park Trust's Accounts for 2023-24.
- (3) Authorise officers to update the Charity Commission with the Annual Report and the Accounts for 2023-24 of Barham Park Trust.

6. **Exclusion of the Press & Public**

There were no items that required the exclusion of the press or public.

7. **Any Other Urgent Business**

No items of urgent business were raised at the meeting, with members noting that further meetings of the Trust Committee would be arranged as required moving forward during the year.

The meeting was declared closed at 11:15 am

COUNCILLOR MUHAMMED BUTT
Chair