

Committee(s):	Date(s):
Finance Committee Epping Forest and Commons Committee	For decision For decision 12 Dec 2017 15 Jan 2017
Subject: The Kenley Fund	Public
Report of: The Superintendent of The Commons	For Decision
<p style="text-align: center;">Summary</p> <p>A fundraising appeal was organised jointly by the Kenley Airfield Friends Group and the City Corporation in 2005 to raise funds for the Coulsdon and Other Commons Charity to acquire the World War II Officer's Mess site that adjoins Kenley Common (the Kenley Fund).</p> <p>The local community donated generously to the appeal, but the bid to acquire the site was unsuccessful. Some money was subsequently returned to the donors, but many people wanted their donation kept by the Coulsdon and Other Commons charity for ongoing work on Kenley Common.</p> <p>The Kenley Fund has not been used at all in the intervening period. Gift Aid was claimed to enhance some donations by 28%, but interest has never been paid on the balance.</p> <p>Recommendation(s)</p> <p>Members of the Finance Committee are asked to:</p> <ul style="list-style-type: none"> • Agree that interest on cash balances held in the Kenley Fund should be credited to the Kenley Fund. <p>Members of the Epping Forest and Commons Committee are asked to:</p> <ul style="list-style-type: none"> • Agree to credit to the Kenley Fund the interest that would have been accrued to date, debiting the West Wickham and Coulsdon Commons local risk budget by the amount that the City could have attained for this fund, namely £3,315.03 to 31 March 2017. • Instruct the Superintendent of The Commons to seek a suitable project (or projects) to be funded by the Kenley Fund, in consultation with the Kenley Airfield Friends Group. 	

Main Report

Background

1. The Superintendent of West Wickham and Coulsdon Commons presented a report to the Epping Forest and Commons Committee on 8 November 2004 in which he recommended:
Setting up Kenley Common (and Farthing Downs) Heritage Funds under the Coulsdon and Other Commons Charity, to appeal for funding on an ongoing basis for heritage projects and potential land acquisitions, including in support of applications to the Heritage Lottery Fund.
2. The intention was to generate sufficient funds to bid for approximately 11ha of land adjoining Kenley Common that contains many important historic structures associated with Kenley Airfield, including the Grade II listed Officer's Mess, a 1920's airfield building, an air raid shelter and a squash court. This land was put on the market in 2005.
3. On 22 June 2005 the Superintendent hosted the inaugural meeting of a group that was then called the Friends of Kenley Aerodrome. At this meeting he presented the agenda item 'Introduction of the City of London Fundraiser'. Subsequently (30 June 2005) a procedure was issued explaining that the Friends' Treasurer would work with the City's Business Manager to collect and process donations.
4. The Friends of Kenley Airfield (as they became) produced a leaflet in their name, with their logo on the front cover, to appeal for funds to 'help extend Kenley Common'. However, the leaflet made it clear that the funds were being donated to the Coulsdon and Other Commons Charity. Gift Aid was claimed for those contributors who signed to say they were UK taxpayers, and this enhanced their donation by 28%. Contributors could sign a box to say if they wanted their donation to be returned to them if the bid to acquire the land and buildings was unsuccessful, or if they wanted it to be retained 'for ongoing work on Kenley Common'.
5. In December 2005 the Chairman of the Friends of Kenley Airfield wrote to those who had donated money to the appeal to report that over £40,000 had been raised.
6. On 8 May 2006 the Superintendent reported to the Epping Forest and Commons Committee that the bid to purchase the former Officer's Mess site had been unsuccessful. A private developer, Comer Homes, succeeded in acquiring the land instead.
7. Individual donations were duly returned to those contributors who had requested this, amounting to c. £13,000. The City Corporation retains a list of all the donations received and refunds made.
8. Since 2006 all the people who originally organised and administered the fundraising appeal on behalf of both the Kenley Airfield Friends Group (as they are now) and the City Corporation have either died or have otherwise left their respective organisations.
9. The Kenley Fund has not accrued interest. It has been held as a sundry deposit on the balance sheet pending a decision being made as to what it

should be used for. It is believed that at one time it was thought that the Kenley Fund might be used for an alternative land acquisition, and this is why it has not been used to defray the general expenses of the Coulsdon and Other Commons charity.

10. In October 2015 work commenced on the delivery of the £1.1m Kenley Revival Project. This project, funded mainly by the Heritage Lottery Fund, will be completed by the spring of 2019. This project is closely aligned to the purposes for which the Kenley Fund was first accumulated, being concerned with the preservation, protection and celebration of elements of the historic airfield. During the early development stage however a decision was made not to include the Kenley Fund as part of the financial arrangements for this project. Again, this might be because the then Chairman of the Friends of Kenley Airfield felt that there was still a chance that the fund could be used to support a land acquisition.

Current Position

11. Currently the balance of the Kenley Fund is £26,855.23. The Kenley Airfield Friends Group has recently expressed dismay that the fund is not earning any interest. If interest had been apportioned to the Kenley Fund the amount of interest the fund would have accrued to date is either £1,043.67 if the bank rate is used, or £3,315.03 using the rate that the City accessed over the same period.
12. The change in personnel within the Friends of Kenley Airfield and the City Corporation means that memories of the fund, its intended purpose, administration and ownership had become clouded. There is a perception amongst some members of the local community that the Kenley Fund is ring-fenced for purposes related to the historic airfield.

Proposals

13. As an act of goodwill to the original donors, it is proposed to supplement the Kenley Fund by an amount equivalent to the interest that would have been earned to date. This money will have to come from the local risk budget associated with the Coulsdon and Other Commons charity, so in effect the charity would be no better or worse off, but doing this would reassure contributors that their donations are being held appropriately.
14. It is also recommended that the City pay interest on the fund to the Coulsdon and Other Commons charity in the future.
15. It is proposed that the Kenley Fund is retained until a suitable project on Kenley Common is identified for its use i.e. one that promotes the objects of the Coulsdon and Other Commons charity whilst also being in the spirit of the original Kenley Fund appeal.
16. It is also recommended that the decision on the suitability of a proposed project (or projects) is made in consultation with the Kenley Airfield Friends Group, reflecting their prominent fundraising role during the original appeal.

Corporate & Strategic Implications

17. The recommendations of this report support the departmental Business Plan with particular reference to the inclusion value:

Involve communities and partners in developing a sense of place through the care and management of our sites

Implications

18. This report proposes a way in which £26,855.23, the current balance of the Kenley Fund, can be accessed for projects that will benefit Kenley Common. The allocation of interest will have a minor impact on the local risk budget, but essentially this is just a transfer within the Coulsdon and Other Commons Charity so there is no overall loss.
19. The Charity Commission advises that cash deposits held by charities should be in an interest bearing account, unless trustees plan to use the money on deposit in the short term or invest it elsewhere for the longer term.
20. The Open Spaces Charities are deficit funded by City's Cash. They would not normally be expected to have any reserves which would be held for any length of time. Any interest obtained on cash balances on the Open Spaces Charities is usually credited to City's Cash and as such goes towards the funding given to the Charities. There are two long term deposits, the Epping Forest Capital Fund and the fund that was given by South Buckinghamshire District Council in respect of the acquisition of Stoke Common where it has been agreed that interest should be credited to the individual Charities. Using the City's interest on cash balances rate for 2016/17 the Kenley Fund would earn £181.13 per annum.

Conclusion

21. A fundraising appeal was organised jointly by the Kenley Airfield Friends Group and the City Corporation in 2005 to raise funds for the Coulsdon and Other Commons Charity to acquire heritage assets and to facilitate heritage projects. Although the campaign was unsuccessful in its primary goal to buy and protect land and buildings associated with Kenley Airfields World War II past, a balance of £26,855.23 remains in the fund to be used for ongoing work on Kenley Common. This report recommends that the City Corporation works with the Kenley Airfield Friends Group to identify suitable projects for the fund.
22. Further, this report proposes that interest is paid on the balance and that this is credited to the Kenley Fund.

Appendices

None

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