



## Hampstead Heath, Highgate Wood and Queen's Park Committee

**Date:** WEDNESDAY, 5 OCTOBER 2022  
**Time:** 4.00 pm  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

## SUPPLEMENTARY PACK

**Members:**

William Upton KC (Chair)	John Beyer, Heath & Hampstead Society
Alderman Gregory Jones KC (Deputy Chairman)	Councillor Marcus Boyland, London Borough of Camden
Timothy Butcher	Emily Hills, English Heritage
John Foley	Arjun Mittra, London Borough of Barnet
Alderman Prem Goyal	Deputy John Absalom, Farringdon Without North Side
Alethea Silk, Walbrook Ward	Jason Groves
Caroline Haines, Open Spaces and City Gardens Committee (Ex-Officio Member)	Deputy Madush Gupta
Andrew McMurtrie, Open Spaces and City Gardens Committee (Ex-Officio Member)	Wendy Mead, Farringdon Without North Side

*Items received too late to be circulated in conjunction with the main agenda.*

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**John Barradell**  
Town Clerk and Chief Executive

# **AGENDA**

## **Part 1 - Public Agenda**

- a) Natural Environment Charity Review Report (Pages 3 - 10)  
Report of the Executive Director, Environment.

<b>Committee(s):</b>  Hampstead Heath, Highgate Wood and Queens Park Committee  Open Spaces and City Gardens Committee  West Ham Park Committees  Epping Forest & Commons Committee	<b>Dated:</b>  <b>5 October 2022</b>  <b>6 October 2022</b>  <b>6 October 2022</b>  <b>13 October 2022</b>  <b>For information</b>
<b>Subject: Natural Environment Charity Review Report</b>	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>4, 5, 8 and 12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N/A</b>
<b>If so, how much?</b>	<b>£</b>
<b>What is the source of Funding?</b>	
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of: Juliemma McLoughlin, Executive Director, Environment Department</b>	<b>For Information</b>
<b>Report author: Sally Agass Director of Natural Environment</b>	

**City’s Corporate Plan**

***Contribute to a flourishing society***

1. *People are safe and feel safe.*
2. *People enjoy good health and wellbeing.*
3. *People have equal opportunities to enrich their lives and reach their full potential.*
4. *Communities are cohesive and have the facilities they need.*

***Support a thriving economy***

5. *Businesses are trusted and socially and environmentally responsible.*
6. *We have the world’s best legal and regulatory framework and access to global markets.*
7. *We are a global hub for innovation in finance and professional services, commerce and culture.*
8. *We have access to the skills and talent we need.*

***Shape outstanding environments***

9. *We are digitally and physically well-connected and responsive.*
10. *We inspire enterprise, excellence, creativity and collaboration.*
11. *We have clean air, land and water and a thriving and sustainable natural environment.*

## *12. Our spaces are secure, resilient and well-maintained*

### **Summary**

The Natural Environment Division of the Environment Department owns nine open spaces outside the boundaries of the City of London and manages the nine charities associated with these Open Spaces, the governance of which is via five Grand Committees. The Corporation as the sole trustee of all the charities and has a duty to act in the best interest of the charity and to ensure that each charity is compliant with the Charity Commission requirements for fiscal, governance and statutory duties.

In order to ensure ongoing compliance, the report details the actions to be taken to ensure that our charities are fit for purpose to meet the changing environment in which we operate. It is the first of a series of reports that will be brought to this committee as the review progresses.

As work is progressing on all aspects of the review Members will be verbally updated at the meeting of further progress against specific items.

### **Recommendation(s)**

Members are asked to:

- Note the information and charity review actions and timescales detailed in this report
- Note the information with reference to the Operation Resourcing Section of this Charity review which, if there any questions from Members with reference to the structure they will be taken in non-public.

### **Main Report**

#### **Background**

#### **Corporate Charity Review**

In July 2019, the City Corporation resolved that a comprehensive Corporate Charities Review (CC Review) should be undertaken, building on recommendations from previous corporate Charity Reviews to ensure that each charity within scope of the Review was, and continues to be, well managed and governed, and achieves maximum impact for its beneficiaries. In so doing the CC Review is drawing upon the experience and learning of the separate Bridge House Estates (BHE) Governance Review.

The Natural Environment Charities are in scope of the CC Review and we are working closely with that team to move forward with the Natural Environment Charity Review. A Corporate Charity Review Paper is included on this agenda giving further details.

The CC Review Team is supporting the Natural Environment division to plan and implement the divisional charity review, building on the successful charitable review of Bridge House Estates, and the wider work of the CC Review. This draft work sets out the approach and actions to be taken and identifies the four key areas under review and the tasks/actions and resources anticipated to be required to achieve compliance and best value over the next five years. No doubt gaps and additions will be added as we progress, but this is stage 1 of an important process.

## Current Position

To date the following areas and key tasks have been shared with the Corporate Charity Review and agreed:

1. Governance
2. Strategic
3. Operations – Finance
4. Operations - Resourcing

The table 1 below illustrates the detailed actions that need to be completed.

Key Areas	Tasks/Actions
Governance	Review the governing documents and make recommendations for the governance for each charity to ensure fit for purpose taking account of Charity Act 2011, Open Spaces Act and Epping Forest Act. Take through Charity Commission process
	Examine regulatory compliance of Corporation acting as sole Charitable Trustee
	Review and make recommendations renumber of charities and opportunities, possible mergers – review governance documents for express power to merge
	Research alternative governance arrangements
	Consider applying to Charity Commission for Uniting Order if mergers considered inappropriate for whatever reason
	Review and make recommendations for Buffer Land and rights to develop, clarify status of buffer lands
	Committee structure – consider the number and membership of the committees
	Reflect the Terms of Reference to include Charitable status obligations and reflect strategic role of Natural Environment Board
	Examine policy of Conflicts of Interest both within and across the various charities, the committees that service the charities
	Register with Land Registry those open spaces not currently registered
	Options for creating trading companies per charity
	Recommendations re Delegated Authorities
	Examine legal framework for additional purchases of additional land

	Legal duties of Charity Members/ observers to ensure regulatory compliance and accountability
	Provision of training for Members re Charitable duties and responsibilities including understand Member Insurance cover
	Development of best practice policies
	Consistent approach to reporting KPI's and evaluating outcomes against the Charitable objectives to committee
Strategic	Marketing and Branding development plan to identify the 'story' of Natural Environment through its strategies
	Further develop the five draft strategies and take through adoption committees
	Consultation with stakeholders affected
	Consider further strategies in line with corporate strategies and the needs of the open spaces
	Research strategic work undertaken by comparable organisations
	Cost benefit analysis of proposed strategies
Operational Finance	Research and develop models of funding
	Develop Charity Income Strategy
	Develop committee reporting process, timings and formats for reporting each charity actual against budget
	Undertake Review and make recommendations for revenue deficit funding model
	Develop internal SLA's for expenditure
	Agree principles and policy of carry forward for no donation/legacy
	Provide training for staff on finance for non-finance managers and on new/existing systems for reporting and monitoring budgets
	Establish principles of reinvestment of capital receipts
	Agree values and deliverable of internal service level agreements
	Revise programme and presentation of financial information to Committees
	Continue risk management new reporting and classification of risks
	Review and make recommendations for Reserves Policy
	Ensure compliance of Charitable Income Strategy with Corporate Finance Policies and procedures and due diligence tests applied to capital bidding process
	Quantify Social Value elements of service provision
Operational Resourcing	Prepare phase two TOM report including shared services to achieve efficiency and take through Operational Strategy Group
	Establish principle of creating efficiency through the use of IT. Prepare costs of proposals
	Prepare in partnership with AD's the JD's and PS ensuring consistency
	Consult with staff and Trade Unions
	Develop a volunteer/secondment strategy to encourage local commitment to the charity in line with achieving efficiency and service improvement

	Operational Framework to develop a staff development pathway and training programme to ensure minimise staff turnover
	Establish % ratio of operational costs v furthering the activities and objects of charity
	Review and make recommendation for each Charity recharge to corporate for services provided

Table 1

## Timeline

There is no quick fix to the completion of this review, and it is anticipated that 18mths to 2 years will be needed to complete and start the implementation.

Regular reports on progress will be brought back to each charity committee. This will enable Members to monitor progress against a timeline which is being compiled per action and will be reported to committee.

## Support for the process

A project team has been put together under the leadership of the Director of Natural Environment and includes a dedicated charity finance manager, a dedicated HR person soon to join the team for the Operational Resourcing which will deliver the Phase 2, Target Operating Model (TOM), a specialist charity governance advisor has taken up post and will be working with support from City Solicitor's department.

Overall, the process is supported by the Corporate Charity Group as their lessons learn in delivering the changes at the Bridge House Estates and other Corporation Charities is invaluable. The strategic element is being supported by the Natural Environment Assistant Directors who have each adopted a strategy.

## Progress to date

- 1. Governance** - the first major task has been the review of all the governing documents, the statutes and the Acts relating to open spaces as the legislation determines how we frame the revised Terms of Reference for each committee. The first draft of the Terms of Reference for the Natural Environment Board is with legal to review to ensure compliance with the Corporation governing documents, the legal acts and statutes. The draft Terms of Reference will be reported to the Natural Environment Board in October 2022 subject to legal agreement. The report will then be amended, if necessary to take account of the individual circumstances per charity and reported to those committees.

It should be noted that whilst each action is listed separately there is considerable overlap between the elements within each of the four sections as well as overlap between the four sections. Therefore, progress on one significant element does means steps are underway in other areas as well.

## 2. Strategic

The five strategies:

- Conservation and Nature Resilience
- Visitor, sport and leisure
- Community
- Charity Income
- Education and Learning

that were considered at the Natural Environment Away Day have all been further developed in response to feedback and will be presented to the October 2022 Natural Environment Board and then on to each Committee.

One change has been the Visitor Strategy now includes Sport and Leisure and consideration is being given to how to include our heritage assets.

### **3. Operational Finance**

A working group including Chamberlains, Corporate Charity Group and the Bridge House Trust is being set up to examine the options to make changes going forward. This has to include the use of capital receipts currently placed on deposit as endowment funds, the use of deficit funding taking account of the ability or otherwise of each individual charity to raise income.

The guiding principle is that the Trustee, the Corporation must act in the best interests of the Charity. As soon as the options are identified a full report will come back to each charity.

### **4. Operation Resourcing**

Good progress has been made on the Phase 2 TOM proposed structures which have been shared informally with the Chairs and are currently being refined by the Assistant Directors. The Assistant Director, Business Services has been appointed to project manage the process which is outlined as follows:

- The draft communication plan includes a video recording for all staff from the Executive Director, a staff comments inbox, posters with FAQ's will be sent to the sites regularly, this process will start at beginning of September 2022 when the majority of staff will be back from leave. Note this is not the formal consultation stage but an opportunity for staff and unions to be kept informed of progress.
- The proposed structures will go before a, to be arranged, Design Principles Panel to ensure compliance with the design principles established and complied with at Phase 1 TOM. Note- the Commons structure was agreed as part of Phase 1 TOM which means that as far as is practicable, taking account of the differences between our charities, the remaining subdivisions will seek to be consistent across the Natural Environment Division.
- The report will go to the Corporate Services Committee (previously known as Establishment) in December 2022



- The proposed structure will be shared with staff in January 2023 which will be the start of the formal consultation stage and will include the unions.

Until then vacancies will continue to be filled on a FTC basis.

### **Options and proposals**

The recommended course of action is for the charity review to progress in order to ensure that each charity has the right resources to deliver the objects of the charities and strategies and is financially enabled to do.

### **Key Data**

Not relevant at this stage but will be reported on as appropriate for each section of the Charity Review

### **Corporate & Strategic Implications**

Strategic implications – Explain and provide assurance about how this proposal aligns with and will support the delivery of the Corporate Plan, any relevant corporate strategies and any relevant regional / national policies / international agreements.

Financial implications

Resource implications

Legal implications

Risk implications

Equalities implications

Climate implications

Security implications

All of the above will be addressed as the review progresses and will be reported on going forward

### **Conclusion**

This Charity Review is a complex and challenging piece of work that is essential to ensure compliance of the Trustee to the Charity Regulations and the various Acts and Statutes that apply. This review is long overdue and as underway will address long standing problems and issues the end result of which will be a Natural Environment division of the Environment Department that will address the modern challenges faced by the open spaces

**Appendices**

None

**Background Papers**

None

**Sally Agass, interim Director of Natural Environment**

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