



Wells City Council

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Introduction and Background

This report has been prepared for Council following an identified need for clarity of the objectives of the Wells Recreation Ground Trust and the City Council's statutory and operational delivery requirements.

Land known as Wells Recreation Ground, is managed as the Wells Recreation Ground Trust (WRGT), including all assets within. It is listed under Charity number: 284947, with the Charities Commission. The Bishop's Barn is Grade 1 listed building and is a scheduled ancient monument, registered with Heritage England under reference S00135763.

At the current time, the Trustees of the WRGT are named within the trusteeship as Wells City Council (WCC) as the sole trustee. This has been formally in place since 09 October 2024.

Whilst the WRGT formally transferred to WCC on 05/08/2022, the formal deed was not amended at the time of transfer, and as such, the trusteeship is listed later than the formal date of transfer. Equally in late 2024, it became apparent that the Charities Commission had an additional, incorrect record listed under the WRGT, as a "shadow" trust, which has since been removed.

The Charity Objects

The charity objects are the legal statute that the trust should govern to, they are listed as:

- (1) the object of the charity is the provision and maintenance of a recreation ground for the inhabitants of the area of benefit and in the interests of social welfare, to improve the conditions of life for the inhabitants of the area of benefit without distinction of political, religious or other opinions.
- (2) subject to the provisions of clause 4 (power to dispose of and replace purpose property), the land identified in part 1 of the schedule to this scheme must be retained by the committee for use for the object of the charity. The scheme is dated 13 AUG 2019 as amended by resolution dated 13 AUG 2019 as amended by scheme dated 05 AUG 2022.

The trust can let or dispose of property of any kind (but only in accordance with restrictions imposed by the Charities Act), however is obligated to replace provision elsewhere within the city and can make joint ventures with governmental and local authorities and with charitable and non-charitable bodies.

Financials

At the time of transfer and for some time before when the WRGT was being managed by the now disbanded Mendip District Council, a sum of £525,000 was held in perpetuity following the sale of a property, referred to as Park Cottage, which historically formed part of the WRGT land asset. At the time of transfer to WCC, the capital sum transfer was £525,000.

Additionally, a sum of £30,000 was provided to settle arrangements for 6 parking spaces within South Street Car Park, and was noted to be a full and one off settlement of this matter.

Annual running costs of WRGT prior to transfer to WCC were £33,276.70 (2019/2020). In 2024-25 these costs were £31,577.00.

In order to manage maintenance of the space, WCC applied a precept cost of £30,000 in 2022-23. This increased to £56,000 in 2024-25, and most recently was agreed in the 2025-26 budget as £52,400. These values are determined based on the previous year's spend plus the insurance for the space, and re held currently within the Wells City Council accounts.

As reported to Full City Council under earlier agenda items, the WRGT financial accounts are required to be kept separate from WCC finances, and steps are being taken in line with these recommendations, to separate funds for full transparency and ensure separate annual audits for trust accounts starting 01.04.2026. This is line with the Parish Council Annual Governance and Accountancy Return (AGAR)

Statutory Reporting Requirements

The WRGT is required to complete charity records to the Charity Commission annually. This table shows the charity's record of submitting annual returns, accounts and trustees' annual report (TAR) for the last five financial periods.

Title	Reporting Year	Date Received	Received
Annual return	31 March 2024	15 January 2025	On Time
Accounts and TAR	31 March 2024	Not Required	Not Required
Annual return	31 March 2023	18 December 2024	322 days late
Accounts and TAR	31 March 2023	Not Required	Not Required
Annual return	31 March 2022	30 January 2023	On Time
Accounts and TAR	31 March 2022	Not Required	Not Required
Annual return	31 March 2021	26 January 2022	On Time
Accounts and TAR	31 March 2021	Not Required	Not Required
Annual return	31 March 2020	29 January 2021	On Time
Accounts and TAR	31 March 2020	Not Required	Not Required

Trustee Role and Responsibilities

Within the current articles of association for the WRGT, the trustee is listed as a corporate Trustee (WCC). In that vein, the trustees are in effect Full City Council, acting as “the Council”.

The trustee is required to:

1. Ensure that legal, financial and management duties comply with the trusts objects (as noted above).
2. Safeguard the good name of the trust.
3. Ensure the protection and conscientious management of the property and assets of the trust, alongside the proper investment in funds.
4. Act in the interests of all.

The trustees should also consider the following best practice (as noted by the Charities Commission) in the management of the Trust.

- A. A clearly identifiable body, that takes responsibility and is accountable for controlling the trust to ensure it is economically run.
- B. Manages accounts and resources well.
- C. Complies with relevant legal and regulatory requirements
- D. Is open in the conduct of its affairs.

Next Steps

It should be recognised that there are significant actions to undertake within this business year in order to provide a sound filing of the WRGT accounts for 2025-26. This will also need to address any backdating of changes associated with the years since 2022, when WCC became responsible for the trust. Equally, the trust should consider the financial viability of the assets, specifically, recognising that the barn building is only ever likely to make a modest surplus, if anything, and that the trust will likely never be self-sufficient in its allocation of ground maintenance works or other remedial actions required for the listed monument, or operational equipment within the space. With that said, the trust should look to operate as a business, with a clear determination of a business plan and vision, both in line with the WRGT objects.

In resolving items A-D above, there is a requirement to appoint independent auditors. To date this has been completed as part of WCC’s internal and external audit provision, which is incorrect. Whilst the councils auditor has reviewed the position of the trust in brief, it would be prudent to consider independent audit for 2025-26 accounts in line with other actions proposed, such as setting up of separate banking arrangements for the trust. Equally, the trustee is required to approve charity’s budget and business plan and must do annual returns, reports and annual statement of accounts as required. In all instances, whilst returns have been completed by WCC, they have not been signed off by the trustees before submission. This should be resolved for 2025-26 with the timing of any associated AGM considered to meet filing return timescales.

As such, it is recommended to hold a stand-alone Annual Governance Meeting (AGM), with a date proposed for August 2025. During this meeting it is proposed that the Trustees consider the following:

1. Look to appoint a Chair of the AGM.

2. Agree Terms of Reference for the Trust in line with the objects
3. Discuss the future vision and aspirations of the WRGT, both as a whole and as independent units, such as the Bishops Barn, the bandstand, the play provision, the Bowles lease arrangements and the “kick about” area.
4. Appoint trust auditors for the business year 2025-26
5. Request the Town Clerk and RFO of WCC prepare and present all required annual returns, reports and annual statement of accounts in a timely manner to ensure compliance and precept management.

Recommendations to Committee:

Full City Council are asked to:

1. Note the content of the report and specifically, the requirements of WRGT to be managed separately to that of WCC.
2. Note the reporting requirements of the trust, both with the Charities Commission and the statutory returns of WCC and independent financial audit of the trust.
3. Note and agree to support the formation of an AGM governance model to support the re-determination of the space as the trust opposed to WCC.

