

<b>Report To:</b>	CHARITIES COMMITTEE	<b>Date:</b>	5 <sup>th</sup> April 2017
<b>Heading:</b>	TRUST FUNDS		
<b>Portfolio Holder:</b>	N/A		
<b>Ward/s:</b>			
<b>Key Decision:</b>	NO		
<b>Subject To Call-In:</b>	NO		

### **Purpose Of Report**

To provide an update to the report given to the Committee on 19 September 2016 regarding the William Booth Charity, the funds of which have remained unused for several years either due to the purpose no longer being relevant and/or there being limited funds available. It will be beneficial to the residents of Ashfield for the monies in these trust funds to be transferred to a charitable organisation with a similar purpose as the existing trust fund.

### **Recommendation(s)**

**It is recommended the Committee recommend to Council:**

**That the Authority, as trustee, exercise its transfer power as set out in section 268 of the Charities Act 2011, to transfer the funds from the William Booth Charity for the Poor to Community Food Bank Kirkby Woodhouse. The trust currently holds a permanent endowment and it is recommended that this be liquidated as part of this transfer so that the funds can be transferred as a whole.**

**To authorise the Chief Finance Officer and Assistant Chief Executive (Governance) to carry out all necessary actions to implement the Council's decision.**

### **Reasons For Recommendation(s)**

The decision made previously was to transfer the funds from the William Booth Charity for the Poor to the Food Bank once they were awarded charitable status. Charitable status was awarded to the Community Food Bank Kirkby Woodhouse on 8 December 2016. The Community Food Bank Kirkby Woodhouse has a similar purpose to the William Booth Charity for the Poor which is why it is recommended that the funds are now transferred to them.

In respect of the investment it is believed that the Community Food Bank would benefit from readily available money as opposed to the small dividend that the investment provides. It is therefore recommended that the investment is liquidated before transfer to enable the Community Food Bank to immediately put the funds to use to assist the residents of Ashfield.

## **Alternative Options Considered (With Reasons Why Not Adopted)**

The Committee could suggest alternative charities however the decision to close would then need to be deferred to allow further investigation into that charity.

The Committee could choose to spend the remaining trust monies before winding up, however, due to the small amounts involved and in some cases the lack of relevant purpose it is considered that greater benefit will be gained by transferring the funds to similar local charities.

## **Detailed Information**

William Booth Charity for the Poor – Balance as at 31.03.17 £1971.59 (in bank) Investment Value £2036.68 at 31.03.17

This was established in 1944 and operates under a scheme from 1994 for the benefit of the residents of Annesley Woodhouse experiencing hardship. In addition to the funds in the bank the trust also holds a permanent endowment in the form of an investment.

The Community Food Bank Kirkby Woodhouse is run at All Saints Church, Annesley and St Johns Church, Kirkby Woodhouse. Their purpose is to improve the quality of life for residents in food crisis in Annesley, Newstead, Kirkby Woodhouse and the Nuncargate area by providing food parcels and signposting service users to appropriate agencies.

The previous decision was to transfer the funds from the William Booth Charity for the Poor to the Community Food Bank once they are awarded charitable status. The Community Food Bank Kirkby Woodhouse have confirmed that they now have charitable status and their registration number is 1170616.

At the time the trust was created there was an initial investment of £166 13s 4d in a Savings Bond. During the life of the trust this sum has been transferred into the investment the trust holds now. This investment does yield a small dividend each year but its value is based on shares.

## **Implications**

### **Corporate Plan:**

Stronger and more resilient communities where people want to live, work, play and be involved

- Helping vulnerable people access the support they need, when they need it
- Reduction in fuel demand across the district (domestic and business properties)
- Improve Community Health and Wellbeing

### **Legal:**

The Law allows charities to be closed for a number of reasons. Such reasons include insufficient funds to achieve the purpose or that the original purpose is no longer relevant.

Before a charity can close the Trustees must consider if effective use of the remaining funds can be made by transferring them to another charity with a compatible purpose. Any debts or liabilities must also be cleared before spend/transferring any remaining assets.

If a registered charity is closed the Charity Commission must be informed.

After a charity is wound up the Trustees must ensure its financial records are retained for at least 6 years from when they were made.

If a charity was originally given property to be held by it forever it is said to be a “permanent endowment”. This could be the case where money was given for a charitable purpose and the donor specified the money should be invested with only the income to spend on the purposes of the trust. In such cases, to spend or transfer the money may require Charity Commission consent. The Charity Commission have been consulted and have raised no objections in respect of this trust. To transfer the money Trustees must hold a meeting to make such a decision, agree by at least two thirds of them voting that it is the right thing to do, the trustees must decide how to transfer the assets and ensure they are used for substantially similar purposes.

**Finance:**

This report is effective once approved by Council and has the following financial implications:

<b>Budget Area</b>	<b>Implication</b>
General Fund – Revenue Budget	The funds held by the Council on behalf of the William Booth Charity for the Poor (as outlined in the report) shall be liquidated and paid over to the Community Food Bank Kirkby Woodhouse.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

**Human Resources / Equality and Diversity:**

N/A

**Other Implications:**

N/A

**Background Papers**

N/A

## **Report Author and Contact Officer**

Ruth Dennis, Assistant Chief Executive (Governance)

01623 457009

[r.dennis@ashfield-dc.gov.uk](mailto:r.dennis@ashfield-dc.gov.uk)