



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Resources

LEAD OFFICERS: Director of HR, Legal and Corporate Services

DATE: 5th July 2018

PORTFOLIO/S AFFECTED: ALL

WARD/S AFFECTED: All

KEY DECISION: YES NO

SUBJECT: CLOSURE OF COUNCIL CHARITIES: Henrietta Kenyon Bequest, Harriet Holt Trust, and Common Goods Trust

1. EXECUTIVE SUMMARY

In delivery of the Council's proposals to close dormant charities accounts; to close all business, dealings and the accounts of the Henrietta Kenyon Bequest, Harriet Holt Trust and the Common Good Trust charities held and managed by the Council.

2. RECOMMENDATIONS

That the Executive Board:

- a) note the background and options available to the Council relating to the dormant charities;
- b) authorises the change of 'purpose' of each charity as identified in this report; and where the current purpose is sufficient, authorise the transfer of funds and close the account.
- c) In relation to a charity registered with the Charities Commission; to inform the Charities Commission of the change of purpose. (Henrietta Kenyon Bequest & Common Good Trust)
- d) enter into discussion/consultation with other charities that may be eligible to receive funds, with the new purpose in mind;
- e) approve the transfer of funds to other charities identified as having the same aims and purpose by the Director of Finance and Customer Services in consultation with the Executive Member for Resources.
- f) Subject to a-e above close the financial accounts.

3. BACKGROUND

As previously reported to the Executive Board, the Council is the corporate trustee of five inactive charities/trusts that are no longer managed or meeting the purpose they were initially set up to achieve. The five charities are as follows:-

Harriet Holt Trust (unregistered)

Common Goods Trust

Garstang Lecture Fund 526120

Henrietta Kenyon Bequest 225127

Poors Land Charity (unregistered)

Over the years these charities have gradually become redundant resulting in funds sitting in the charities accounts, unspent for numerous years and accruing interest . For most of the charities, the purpose for which they were set up has become obsolete, thus restricting the spending of monies and being inactive from lack of trustee management to conduct business. Three of these charities are registered with the Charities Commission whereby annual accounts are required to be submitted yearly, requiring resources from the Council.

No monies have been injected into or spent from the accounts for almost 15 years or longer.

Collectively there are sums of approximately £81,851 held in the accounts. Given the lack of activity it is now considered appropriate for the Council to utilise dormant funds for good causes in the Borough and to close the accounts.

This report deals with the following three charities: Henrietta Kenyon Bequest, Harriet Holt Trust and Common Good Trust. These three charities have funds of £46,116 held in the accounts.

The remaining Charities i.e. Garstang Lecture Fund and Poors Land will be the subject of a report to the Executive Board in August 2018.

4. KEY ISSUES & RISKS

As the 'purpose' of the charities are obsolete, it is considered appropriate to amend that particular purpose in order to apply the funds effectively. This will enable the council to spend monies properly and with transparency facilitating the closing of the accounts process. Details of each charity is set out below:-

Henrietta Kenyon Bequest

- This is a registered charity and the purpose of the charity is “for the benefit of the inmates of the Women’s ward of the Queens Park Hospital Blackburn from time to time by way of extra comforts and nourishment over and above the normal amount supplied by the Committee out of public money”.
- The Governing Document is a Will dated 19 July 1932 of Henrietta Kenyon who was an “inmate” of Queens Park Hospital Blackburn whereby she instructed the residue of monies from her estate to be paid “for the benefit of the inmates of the Women’s ward of the Queens Park Hospital, Blackburn”
- It is suggested that given the nature of the Bequest the Council change the purpose of the charity to be for the benefit of older people in the Borough.
- Estimated sums: £14,752.09 – remain in the account for transferring to a suitable local charity.

Harriett Holt

- This is not a charity registered with the Charities Commission
- The purpose it was established was for the ‘benefit of the blind people of Darwen.’
- The Council will seek to meet the current purpose by identifying a suitable local charity.
- Estimated sums: £7,717.55 – remain in the account for transfer as above.

Common Good Trust

- Established in 1962 for any charitable purpose for the benefit of the inhabitants of the Borough of Blackburn or any part of the said Borough as the Trustees shall from time to time determine in their discretion. The charity monies are to provide for the relief of poverty.
- Purpose: “Charitable purpose directed wholly or mainly to the benefit of the inhabitants of the Borough of Blackburn ... or any part of the said Borough as the Trustees shall from time to time in their discretion determine”
- At the Trustees final meeting of 20th February 2018 they resolved that the Common Good Trust Fund be closed and funds be divided between the following organisations, food Bank (Blackburn), Nightsafe (Blackburn) and the Wish Centre, Blackburn.
- Estimated sums: £23,646.73 to be divided between the organisations as resolved by the Trustees of the Trust.

5. POLICY IMPLICATIONS

The Council supports a range of services in the local community and transferring money from a dormant charity account to support local services reflects the Council’s objectives of improving health and wellbeing of all persons in our community.

6. FINANCIAL IMPLICATIONS

There are no direct financial costs to the proposals to transfer money from a dormant account to local charities as set out in the report, other than internal officer time and related resources.

7. LEGAL IMPLICATIONS

The Council as trustees have the power to amend the purpose of the charity to a similar purpose provided a charity has an income of less than £10,000 in the last financial year and does not hold any functional land or property. In relation to charities registered with the Charities Commission, once the ‘purpose’ of a charity has been amended the trustees must inform the Charities Commission. Additionally once the funds have been transferred the trustees must inform the Charities Commission so that it can be removed from the register of Charities.

In relation to charities not registered with the Charities Commission, there is no requirement to inform the Charities Commission.

In disposing of a charity’s funds the Council must be mindful to its ethos as a charity and ensure that there is transparency.

Any transfer of funds will be subject to consultation and discussion with the receiving charity and also checking the activity of the receiving charity and work history.

All existing debts and liabilities will need to be cleared before the remaining assets are transferred.

8. RESOURCE IMPLICATIONS

The legal processes required will be funded from within existing resources and once completed the transfer will result in a small resources utilisation saving within the Financial Services Team which is factored into the current restructuring programme.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

Consultation has been undertaken with the Charities Commission and the Trustees (where appropriate).

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

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CONTACT OFFICER:	David Fairclough and Rabia Saghir
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DATE:	25 th June 2018
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BACKGROUND PAPER:	Review of Charities Accounts. HR, Legal & Governance
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