

Report of City Solicitor and the Director of Resources

Report to Executive Board

Date: 24th April 2013

Subject: Farsley and Calverley Charities

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Calverley & Farsley	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

Leeds City Council is the trustee of two charities - Farsley Public Purposes Charity (charity number 500559) and the Calverley Charity – The Workhouse Allotment Charity (charity number 504497). These charities were established in the late 1700 for the purposes of providing financial assistance to the inhabitants of the local parishes.

Both charities own land and investments, the latter generated from land disposals in the past. The terms of the trusts currently only allow for income to be spent (and not capital) thereby limiting the charities' ability to fulfil their aims.

Section 281 of the Charities Act 2011 allows restrictions on the use of capital monies to be released where the trustees are satisfied that the purposes of the charity could be carried out more effectively if the capital of the charity could be expended as well as the income.

Recommendation

Members of Executive Board are requested to note the report and (being satisfied that the purposes of the charities could be carried out more effectively if the restrictions relating to the expenditure of the capital of the charities were released) approve the release of the restrictions on the use of current capital monies in accordance with section 281 of the Charities Act 2011.

1 Purpose of this report

- 1.1 This report seeks Members' approval to the restrictions on the use of capital monies being released in respect of both the Farsley Public Purposes Charity and the Calverley Charity – The Workhouse Allotment so as to enable the aims of both of the charities to be carried out more effectively and efficiently.

2 Background information

- 2.1 The Calverley Charity - The Workhouse Allotment was founded in 1758 after a workhouse had been built by Sir Walter Blackett in Blackett Street, Calverley in 1756. On January 6 1758, the Churchwardens and Overseers of the Poor at Calverley were allotted 20 acres of land on Calverley Moor by way of an enclosure award. This land was to be used to generate income for the support and maintenance of the workhouse and for the relief and employment of the poor within the Manor of Calverley.
- 2.2 By 1894 the workhouse had been divided into cottages and some of the land sold to the Great Northern Railway for the route of the Leeds - Bradford line. (According to papers held by the Council the charity received £359 15s and 6d for the land). Several other pieces of land have also been sold over the years.
- 2.3 Subsequent local government reorganisations led to the creation of the Farsley Public Property Charity "for the general benefit of the inhabitants of Farsley." This receives part of the income of the Calverley charity. Interest earned from this account is allocated to both the Calverley Charity – The Workhouse Allotment and the Farsley Public Purposes Charity.
- 2.4 In 1971 land was sold for £2,500 and the proceeds earmarked for the Farsley Charity for the construction of a town hall in Farsley. The money was invested with the Charities Commission and remains as an investment today.
- 2.5 Leeds City Council is currently the sole trustee of both the Calverley Charity – the Workhouse Allotment and the Farsley Public Purposes Charity though the day to day administration and operation of both charities is devolved to officers and ward members.

3 Main issues

- 3.1 The total value of the funds currently held by both charities is £32k, £23k of which is invested with the Charities Commission (COIF) being the Farsley £2.5k invested in 1971. The balance of £9k is invested with Nat West in a Special interest Bearing account (SIBA) which allows ready access to funds. For the financial year ending on 31 March 2013, the income of the charities was £28 for the Calverley Charity and £906 for the Farsley Charity as against expenditure of £1,080 and £6,365 respectively.
- 3.2 Over the last few years both the Farsley and Calverley charities have actively supported the local community by contributing to a variety of causes including: Calverley United (local football team); funded a stone road sign for the village of Farsley; supported local businesses and the community by contributions to Christmas lights; supported the local Queen's Diamond Jubilee events; provided support for local initiatives such as the village web site, a youth development project and a "live at home scheme".

- 3.3 This has been possible due to a large cash “pool” accumulating over a number of years, primarily as a result of good investment performance in the past. However, due to the economic downturn income has reduced significantly as rates of return on investments have declined.
- 3.4 The capital funds of both charities are now generating very little income and are insufficient to continue to provide effective support to the local community.
- 3.5 At present, the current capital funds of both charities are subject to restrictions which mean that neither charity is able to spend them; they can only spend income.
- 3.6 Section 281 of the Charities Act 2011 allows the trustees of a charity which is not a company or other body corporate to declare that the funds of the charity should be released from any restrictions that apply to their expenditure, provided always that the trustees are satisfied that the purposes of the charity could be carried out more effectively if the capital of the charity could be spent as well as its income, rather than just the income.
- 3.7 Given the limited incomes of both charities, it is proposed that Executive Board should resolve that the current funds of both charities should be released from any restrictions that apply to the expenditure of their respective capital on the basis that the income of both charities is insufficient to serve their purposes.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This is a factual report and not subject to public consultation.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 This report does not highlight any issues regarding equality, diversity, cohesion and integration.

4.3 Council Policies and City Priorities

- 4.3.1 The Council as trustees are required to use the funds to fulfil the purpose of the Charities.

4.4 Resources and Value for Money

- 4.4.1 The report states that the current funds of the charity should be released from any restrictions that apply to allow the charity to achieve its purpose more effectively.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Members as trustees are asked to release the restrictions on the use of current capital monies in accordance with section 281 of the Charities Act 2011.

4.6 Risk Management

- 4.6.1 There are no direct risk management implications of this report.

5 Conclusions

- 5.1 In order to resolve that the current capital funds of both charities should be released from any restrictions relating to their expenditure, members of Executive Board must be satisfied that doing so will mean that the purposes of the charities could then be carried out more effectively

6 Recommendations

- 6.1 Members of Executive Board are requested to resolve that any restrictions which apply as to the use of the current capital funds of Farsley Public Purposes Charity (Charity No. 500559) and The Calverley Charity – The Workhouse Allotment (Charity No. 504497) should be released with effect from 24th April 2013 in accordance with Section 281 of the Charities Act 2011.

7 Background documents¹

- 7.1 There are no background documents relating to this report.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.