

Corporate Committee

02 April 2008

BEAUFOY INSTITUTE AND BEAUFOY SCHOLARSHIP FUND

All Wards

Report authorised by: Executive Director of Finance and Resources: Mike Suarez**Executive summary**

This report updates the Committee on the discussions with the Charity Commission regarding the application for a Scheme giving the Council as trustee the power of sale of the Institute Building, amalgamating the Beaufoy Institute Trust and the Beaufoy Scholarship Fund and updating the objects of the trust. The new charity will be called The Beaufoy Educational Trust. It also refers Members to the report which was considered by Cabinet on 17.03.08 and is put before this Committee entitled "Review of Prince's Ward Investment Strategy" recommending that Corporate Committee agree to work with officers and De Morgan to keep the Beaufoy Charity and Scholarship Funds together with the Beaufoy buildings, noting that this will allow the new Beaufoy Trust to continue and improve upon the original aims of the Beaufoy charities.

Summary of financial implications

See paragraph 3.1 below.

Recommendations

- (1) That the Committee instructs officers to proceed with the Scheme as proposed by the Charity Commission as set out in their letter of 05.03.08 and set out in paragraph 2.5 of this report.
- (2) That the Committee delegates to the Director of Legal and Democratic Services authority to carry out all steps necessary to finalise the Scheme.
- (3) If the Committee is minded to approve recommendations at 1 and 2 above, that no decisions are made regarding changes in Trustee arrangements or the power of sale until the plan to regenerate the Princes Ward Investment Strategy (including the proposal to convert the Beaufoy Building and associated Council owned buildings into an Artisan studio and arts and crafts museum) is reported back to Cabinet and Corporate Committee in September 2008.

Consultation

Name of consultee	Directorate or Organisation	Date sent to consultee	Date response received from consultee	Comments appear in report para:
Internal				
Frank Higgins	Finance and Resources	14.03.08	19.03.08	
Mark Hynes	Legal and Democratic Services	14.03.08	19.03.08	
Helen Sach	Directorate Finance Officer	14.03.08	19.03.08	
Mike Dickens	Head of Legal Services	14.03.08	19.03.08	
Councillor Marcia Cameron	Chair of Corporate Committee			
Jane Beaufoy		14.03.08	19.03.08	
Entered in Consultation and Events Diary?				
No				

Report history

Date report drafted:	Report deadline:	Date report sent:	Report no.:
14.03..08	18.03.08	17.03.08	306/07-08
Report author and contact for queries:			
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Background documents

Committee Report 21.11.07
Correspondence with the Charity Commission

Appendices

Investment strategy for trust funds

1. Context

- 1.1 The Corporate Committee has recently made a number of decisions to enable it as the trustee of the Beaufoy Institute to acquire the power of sale of the Institute building, amalgamating the Beaufoy Institute Trust and the Beaufoy Scholarship Fund and to update of the objects of the charity. The amalgamated charity will be known as the Beaufoy Educational Trust. Officers have made an application to the Charity Commission for a Scheme to carry this out and have been in correspondence with the Charity Commission.

2. Proposals and reasons

- 2.1 The Charity Commission has agreed in principle to the Scheme. However, prior to the last Corporate Committee on 21.11.07 it recommended that the Council should appoint additional external trustees.

- 2.2 On 21.11.07 the Committee resolved

(1) That the Charity Commission's proposal for the scheme to be amended to include additional trustees was agreed as a matter of principle.

(2) That any new trustees be formally approved by the Committee on behalf of the Council following close liaison with the Committee. It was agreed that the Lambeth Endowed Charities Trust be specifically invited to participate in the future management and composition of the Trust.

- 2.3 Officers wrote to the Lambeth Endowed Charities on 28 November 2007 inviting them to become a trustee of the Charity. They responded that they could not agree to become a joint trustee because they have a large grant making programme and wish to maintain their independence. However they have suggested that they would be willing to consider either of the following :

- For the funds forming the Beaufoy Scholarship Fund to be gifted to the Lambeth Endowed Charities for them to administer as a grants programme, in accordance with its purposes, or
- For the Charity Commission to recognise the Walcot & Hayle's Trustee (their trustee body) as the sole trustee of the Beaufoy Scholarship fund to administer it in accordance with its charitable objects.

- 2.4 Officers wrote to the Charity Commission for a preliminary view on this proposal. This is still being considered and the Charity Commission has not given a substantive response yet.

- 2.5 The most recent correspondence from the Charity Commission was received on 05.03.08. The Commission has now completed its consideration of the responses to public consultation on the draft Scheme. They state:

As you know we received a number of representations about the scheme, and we have now completed our consideration of the issues raised.

We do not believe that there are grounds for the Commission to abandon the Scheme. However, it is our recommendation that it is reduced considerably to give a power to sell the Beaufoy Institute (subject to the statutory requirements). It should also reserve the Commission's right to make a further scheme on the current scheme application from Lambeth Council.

A second, later, fully regulating scheme could appoint a new trustee, modernise the objects of the charity and provide for the income from the proceeds of sale to be used to make educational grants with a preference towards technical and manual instruction (i.e. training in the trades).

Please note that we received a number of representations that suggested the charity's original objects/intentions were for training in craft skills. We concluded that modernised objects, which included such a preference, would better reflect the type of education that this charity is primarily concerned with.

- 2.6 The position on the Scheme now is that there will be a two stage process. Firstly a power of sale will be granted and the other amendments to the trust will follow later. The option of gifting the charities to the Lambeth Endowed Charities is still being considered by the Charity Commission.
- 2.7 The Committee is referred to the report to Cabinet and also this Committee entitled Review of Prince's Ward Investment Strategy. Approving the recommendation in that report will not be incompatible with the recommendations in this report because the power of sale once obtained will not have to be exercised immediately or at all.

3. Comments from Executive Director of Finance and Resources

- 3.1 The report proposes to proceed with a scheme amalgamating the Beaufoy Institute Trust and the Beaufoy Scholarship Fund. The Scheme also gives a power to sell the Institute Building to further the objectives of the Trust. However, the report does not commit to a particular course of action. There are no financial costs that will be incurred by Lambeth Borough Council, as any legal or administrative costs will be chargeable to the fund, and no new funding will be required.

4. Comments from Director of Legal and Democratic Services

- 4.1 The law relating to charities is governed by the Charities Act 1993 and the Trustee Act 2000.
- 4.2 Charities are regulated by the charity Commission and their approval must be obtained for any change in the charity's governing instrument

5. Results of consultation

- 5.1 Not applicable.

6. Organisational implications

- 6.1 **Risk management:**
The specific risks
- 6.2 **Equalities impact assessment:**
Not applicable.
- 6.3 **Community safety implications:**
Not applicable.
- 6.4 **Environmental implications:**
Not applicable.
- 6.5 **Staffing and accommodation implications:**
Not applicable.
- 6.6 **Any other implications:**
Not applicable.

7. Timetable for implementation

- 7.1 The strategy can be implemented following approval by the committee.



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