

CHARITABLE TRUSTS

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Andrew Bircher
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/a
Appendices (attached):	None

Summary

To consider the future operation of the Chuter Ede Trust Funds and the Elizabeth Welchman Trust Fund

Recommendation (s)

The Committee is asked to:

- (1) Support investigation into the transfer of the assets of the Chuter Ede Trust Funds to the Epsom and Ewell Community Fund.**
- (2) Authorise the closure of the charity trust funds with the Charity Commission, if the Charity Commission approve the transfer**
- (3) Authorise spending the remaining balance of the Elizabeth Welchman fund and thereafter Authorise the closure of the charity trust fund.**
- (4) Nominate and authorise the Assistant Director of Corporate Services, in consultation with the Director of Corporate Services and Head of Legal Services to take all necessary steps to bring into effect the recommendations resolved by this Committee.**

1 Reason for Recommendation

- 1.1 To secure ongoing management of the Chuter Ede funds, in accordance with the wills, after Epsom and Ewell Borough Council has ceased to exist.
- 1.2 Close down the Elizabeth Welchman Fund for administrative reasons

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2 The Chuter Ede Trusts

- 2.1 Under their respective wills James Chute Ede and his wife Lillian Mary Stephens Ede set up trust funds together known as the James and Lillian Chuter Ede Trust. The trusts are registered with the Charity Commission.
- 2.2 The Council is the trustee for the trusts. The James trust has approx. £18k in value and the Lillian trust has £10k. The money is invested with the council's other funds and earns interest.
- 2.3 There is a great deal of discretion for the trustee to act within the narrow objective of the trusts. The key part of the will is as follows (this is an extract from James' will):
 - 2.3.1 "The trustees shall hold the trust fund to apply the income thereof from time to time in such a manner as they shall in their discretion think fit in or towards assisting persons ordinarily resident in the Borough of Epsom and Ewell ...who are for the time being resident students at a residential university in the United Kingdom, or who are about to become such students and who have not obtained or qualified for the degree of Master of Arts or an equivalent degree of any university to obtain the full benefits of residence at such university and so that the selection of persons to receive assistance from among those qualified therefor hereunder shall be in the absolute discretion of the Trustees"
- 2.4 In the case of Lillian's will the provisions are the same except that it relates only to "girls or women" ordinarily resident in the Borough.
- 2.5 What was noble ambition when the trust was set up, is of less relevance now given the large number of people who attend university and the various funding and support arrangements for attending (student loans). Also, as the restriction on the use of the funds is only to spend the interest, in reality the sums generated (say interest on the capital sum of £28k at 3.5% is £980) do not go far to support a number of students in attending university. Recent applications have been limited to a max of £250 and scaled back depending on how many apply. Add to that the capital sum, without interest being applied is reducing in real terms value.
- 2.6 We would like to explore changing the terms of the trust to allow the money to be spent with fewer restrictions and also on a more diverse range of issues, whilst still supporting the overall ambition to support those residents of the borough who wish to study. There could be many different ways of doing that.
- 2.7 However, to depart from the specifications of the will, is a matter that will need to be investigated and discussed with the Charity Commission.

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- 2.8 If successful in getting approval to change the terms of the trust, we would also like to consider merging the funds with the Epsom and Ewell Community Fund, so that together there may be greater scope to meaningfully support people. The Epsom and Ewell Community Fund is part of the extensive family of similar Area Funds under the umbrella of the Community Foundation for Surrey, and has scope within its terms of reference to support young people from the borough, through education or other ways, to ensure that the spirit of the Chuter Ede funds could still be delivered.

3 The Elizabeth Welchman Trust

- 3.1 The trust was set up to provide funding and resources for the maintenances of the Elizabeth Welchman gardens, in Epsom
- 3.2 The trust currently only has £1,649 in the balance. It is proposed that this money is spend on a project as advised by the countryside team (bench, planting, signage, bins etc).
- 3.3 Once the money has been spent the trust will be closed with the Charity Commission.

4 Risk Assessment

Legal or other duties

- 4.1 Equality Impact Assessment
- 4.1.1 There are no direct implications from this report
- 4.2 Crime & Disorder
- 4.2.1 There are no direct implications from this report
- 4.3 Safeguarding
- 4.3.1 There are no direct implications from this report
- 4.4 Dependencies
- 4.4.1 none
- 4.5 Other
- 4.5.1 none

5 Financial Implications

- 5.1 Transferring the funds will create a small time saving for finance staff as the financial administrative tasks relating to the funds will no longer be required.

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- 5.2 **Section 151 Officer's comments:** The proposals represent a prudent approach to managing legacy charitable funds. They will not result in any additional financial burden to the Council and may improve the effectiveness of the funds in serving the community.
- 5.3 Any changes to trust purposes will be subject to appropriate legal and regulatory processes, including engagement with the Charity Commission.

6 Legal Implications

- 6.1 **Legal Officer's comments:** None arising from the content of this report.

7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- None
- 7.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** None
- 7.4 **Sustainability Policy & Community Safety Implications:** None
- 7.5 **Partnerships:** None
- 7.6 **Local Government Reorganisation Implications:** There is an element of tidying our legacy trusts so that the new unitary will not have to deal with them

8 Background papers

- 8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- none

Other papers:

- none