



PURTON PARISH COUNCIL STANDING ORDERS

APPENDIX B

Guidelines for Managing the three charities of which Purton Council is the Trustee

1. **Introduction**

These guidelines are intended mainly for new councillors. They explain why the Council is the trustee of three charities which exist for the benefit of inhabitants of the Parish and how those charities operate.

A charity is an entity established exclusively for purposes that are charitable and which are for public benefit. The three charities all fall within the permitted range of charitable purposes.

2. Purton Parish Council is the sole trustee of the three charities. Councillors, as individuals, are not trustees, but they have a responsibility to ensure that the Parish Council manages the three charities in accordance with the rules of the Charity Commission and charity law. When the Parish Council meets to deal with charity business, the meeting is called 'The Charity Meeting' to distinguish that specific responsibility from the ordinary meetings of the Council.
3. As trustee, the Council is responsible for directing the affairs of each charity and ensuring that it remains solvent, is efficiently run and delivers the charitable outcomes for public benefit for which it was set up.
4. Purton Parish Council has existed for centuries under a variety of ancient laws that regulated local government. The Local Government Act 1972 swept away all the previous legislation and created the Parish Council as a statutory body with a wide range of legal powers to act for the benefit of the local community.
5. The 1972 Act sets out the procedure for calling Council meetings and how Council business should be conducted. Up to fifteen councillors can be elected to the Council. When a meeting of the Council is called, the councillors constitute 'the body corporate' created by statute that is Purton Parish Council. Councillors may come and go through elections and resignations, but the body corporate that is Purton Parish Council always stays in existence.

6. **Duties of Councillors**

The principles of public life govern how councillors must deal with the statutory business of the Council, in particular:

- Councillors must act prudently and with proper regard to the interests of present and future council tax payers
- Councillors must not let their private interests conflict with their public duties
- Councillors should seek the best value for money in the services that the Council provides
- Councillors must not seek to derive any personal benefit or gain from carrying out their duties.



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7. The main rules of honesty, prudence and transparency apply equally when the Council deals with the management of a charitable trust. However, when the Council is making decisions about a charity, councillors also have to be aware of the following rules:
 - The trust assets can only be used for the charitable purposes set out in the objectives of the trust.
 - The terms of the trust bind the Council and cannot be adjusted to fit general council policy.
 - Before any decision is made in respect of trust property the first question always has to be: “...is this in accordance with the terms of the trust?”
8. **Charity Commission Trust Schemes**

When the Charity Commission approves a trust, it sets out its objectives and rules in a document called a ‘Scheme’. Each charity of which the Council is the Trustee has a Scheme, approved by the Charity Commission, which declares its objectives, designates the Council as the Trustee, and sets out the rules about how it should be managed.
9. The Scheme for each of the three trusts was drawn up in a way that would enable another organisation or group of individuals to become the trustee, but in the absence of suitable volunteers to take up the responsibility, the Council has been the Trustee of the three charities for a considerable time.
10. The Charity Commission produces a ‘toolkit’ to help every council that is a trustee to fulfil its duties. The toolkit and further information about the rules relating to running charities can be found on the Charity Commission’s web site.
11. **The Three Charities**

The Council has a duty to keep the charities under review to ensure that they are meeting their objectives and that the beneficiaries (the parishioners) are receiving the benefit of the objectives.
12. **Purton War Memorial and Village Centre Charity – charity number 305562**

The charity was originally set up in 1946 with the Council as the sole trustee, its objectives are:

‘To provide or assist in the provision for the inhabitants of the Parish of Purton and the neighbourhood thereof (the area of benefit) facilities for recreation and other leisure-time occupation in the interests of social welfare with the object of improving the conditions of life for the said inhabitants’.



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13. On the application of the Council, the Charity Commission approved a revised Scheme in 1995. The objectives of the charity did not change, but the Council, as sole Trustee, was given power to lease land that was not required for the purposes of the trust provided that the remainder of the charity land was not unduly interfered with and that the rent was applied for the purposes of the charity.
14. The Scheme also provided that if on the grounds of expense or otherwise it is necessary or advisable to discontinue the use of the whole or part any part of the land for the object of the charity the land can be sold. But only if a resolution to sell is passed by a majority of the inhabitants of the area of benefit over the age of 18 years who attend a public meeting of which at least 14 days public notice has been given. The proceeds of sale must be invested in trust for the objects of the charity.
15. The charity land supports a variety of uses for recreation including a play area, a skate park and a large open grassed area. The Parish Council pays for the upkeep of the play equipment out of its general funds.
16. **Purton Tennis Club**
The Club holds an annual licence for the use of the Pavilion, the Changing Rooms in the Millennium building and two tennis courts.
Note: The Tennis Club also has a five year lease of two tennis courts on land on the other side of the road beside Church Path, for which they pay a ground rent. This is not charity land. It is owned by the Parish Council.
17. **Public Tennis Court**
There is one public tennis court at the centre which is available for hire by the public.
18. **Purton Bowls Club**
The Club holds an annual licence from the Council for the use of the bowling green and the Pavilion. The licence requires a rink to be kept available for public use and the Pavilion is hired to the public during the winter months.
18. **Purton Football Club**
The Club holds an annual licence from the Council to use the large pitch and the changing facilities.
19. **The Red House**
Problems arose with the occupation of the Red House as a licensed club selling alcohol, which the Charity Commission deemed to be outside the terms of the trust objectives.



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The Charity Commission amended the Scheme for the trust in 1995 to enable the Council to decide that the Red House was deemed surplus to the requirements of the Charity and could therefore be let for purposes that are not charitable.

20. The building was occupied by the Red House Social Club under a 5 years full repairing lease at a market rent until March 31st 2021. The Charity now manages this facility in house under a trading arm called the Purton Red House.

The Purton Red House is managed within the Village Centre and War Memorial Charitable aims with all profits being ploughed back into the building for repair and the charity to benefit the full area.

The Purton Red House is managed by the Council employees under instruction/delegation of the Purton Red House Sub committee.

21. **Purton Institute and Village Hall Charity – charity number 203202**

The Charity was set up by a trust deed dated 23rd May 1892 under which James Henry Sadler made a gift of land and buildings comprising the Workmen’s Institute. The building was described as: a reading room, a large room used for public meetings etc. and a residence for a caretaker (under the same roof).

22. The original trustees were six distinguished local residents. The records show that the Institute was not a great success and it fell into debt. The Parish Council took responsibility for the building and used part of it for Council meetings and leased the other parts. In 1896, the four remaining trustees resigned and the Charity Commission made a Scheme which appointed Purton Parish Council to be the sole Trustee.

26. The objectives of the trust are:

“The general object of promoting the moral, social and intellectual welfare and the rational recreation of the inhabitants of and visitors to the Parish of Purton and their friends in such manner as the trustees for the time being should from time to time direct or sanction; and secondly to be used (subject to the control and direction of the trustees for the time being) by all political parties, religious denominations and others for the purpose of religious, social, political or other meetings which properly could be held in a place of the kind, but so that the premises should not be used for the discussion or promotion of subjects which might be demoralising or revolting to the sense of the community, nor in such manner or to such extent as to interfere with the general use thereof for the object first therein before indicated.”



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27. The trust deed also contained the following powers for the trustee:
- to let the premises at a rent provided that the income was applied to the upkeep of the Institute building.
 - to make rules and regulations for the management of the Institute building and its grounds.
28. In 1995, the Charity Commissioners made a new Scheme for the trust which gave the Parish Council, as sole Trustee the power to sell the land and the buildings comprised in the trust, subject to the prior approval of the Charity Commission. The proceeds of sale must be invested for the objects of the charity.
29. **The Play Close Charity – charity number 203201**
- The Charity was originally set up in 1641 with the Parish Council as the sole trustee. The object of the charity is:
- “For use as a place of exercise and recreation for the common good and benefit of the young youthful and other inhabitants of the parish.”*
30. The Charity Commission have agreed that separate meetings for the charity are not necessary, and that any items needing discussion can be added to the agendas of ordinary meetings of the Parish Council. The Charities Act 2006 relaxed the rules for small charities such as the Play Close Charity, which does not have to be registered with the Charity Commission. The Charity has an income from renting an access road to a property on Play Close. The Parish Council pays for all of the play equipment and maintains the site.
31. **Meetings**
- The Chairman of the Parish Council is elected each year at the Annual General Meeting of the Council.
32. The budget for the Charities is usually set at a Charity Meeting held in January. The Financial Year for the Charities runs from 1st April to 31st March. The Charity Commission requires the Council to submit an Annual Report in respect of the two main charities each year, as soon as possible after 31st March. The Annual Report is usually considered at a Charity Meeting that is usually held in May.
- The Annual Report for the two main charities is a public document and a copy is made available in the Library. The Play Close charity is too small to need to be registered with the Charity Commission and does not require an Annual Report. At its meeting held in May, the Council agrees to present a programme of meeting dates for the following twelve months for the Charities.



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33. **Managing the Trusts**

The Charity Commission has given advice on the running of the charities, the main points of which are summarised as follows: It is the Council i.e. the corporate body acting in accordance with its usual procedures which is the Trustee. Ongoing management can be delegated to officers but the responsibility for managing the trust rests with the Council.

- (a) The Council must manage each trust in accordance with the objective set out in the scheme.
- (b) The Council must manage each trust as a separate legal entity. The finances of the trust must be kept separate from the Council's general finances. That means that each trust must have its own individual trust accounts which record all the income and expenditure of the trust and the value of its capital assets.
- (c) The Council must keep the accounts of its statutory (i.e. non charity) income and expenditure separate from the charity accounts.
- (d) The Council can contribute to the income of each trust from its general income if it considers that to do so would be in the interests of the inhabitants of the parish. The contribution can be for a capital project or to support the ongoing annual expenditure if a trust runs short of income. However, the Council should endeavour to keep each trust solvent and able to pay its way out of its own income.
- (e) The Council cannot transfer any money from a charity account into its general finances.
- (f) If the Council (or any other organisation or individual) contributes to a charity to improve the charity land or buildings, the improvement belongs to the charity. If, for example, the Council gives money for a fence to be erected on charity land, the fence belongs to the charity. The same principle applies to children's play equipment or anything else affixed to the charity's land or buildings
- (g) The Council should not allow any club or association to have exclusive occupation of the charity land because that would limit the right of the beneficiaries of the charity (i.e., Purton parishioners) to gain access to the charity land. However the Council can grant a licence to a club or association to use the charity land because a licence does not grant exclusive occupation.

Note: The Charity Commission Scheme for the War Memorial and Village Centre Charity allows land and buildings that are not needed for the charity's objectives to be leased provided that the rent is applied for the purposes of the charity.

- (i) The Council should keep Charity Meetings separate from meetings that deal with the general business of the Council.



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That means that each Charity Meeting should have a separate agenda and separate minutes. Charity Council Meetings do not have to be held on a different day to Statutory Council Meetings. If it is expedient for a piece of charity business to be dealt with urgently, a Charity Council Meeting could precede or follow on from a Statutory Council Meeting provided that there is a separate agenda for the Charity Meeting and separate minutes.

34. The Clerk of the Council is the 'proper officer' responsible for the administrative and financial work of the charities. In practice, the officer who mostly deals with the administrative work of the Charities is the Charities Secretary, The Finance Officer, deals with the financial matters of the charities and keeps the accounts. The two ground-staff employees deal with grass cutting and some of the maintenance work to the land and buildings. The Council office staff administer the bookings for the Village Hall, the Millennium Hall and the Bowls Pavilion (which can be hired by the public for meetings in the winter). All of these staff along with cleaning staff are employed by the Parish Council and keep time-sheets to record the time that they spend on doing work for the charities. The charity accounts reimburse the Parish's statutory account for the staff time spent on the charities.
35. In the interests of efficiency, the Council has delegated to the Parish Clerk and the Charities Secretary, authority to deal with matters relating to the maintenance of the buildings and land and administration of the charities.

The matters delegated are set out in the Scheme of Delegation which is a separate section within the Council's Standing Orders.



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Revision History	
1 July 2013	No 16 – play park changed to play area.
9 th June 2014	Standing Orders Appendix B reviewed by Council. No change made to Appendix B.
8 th June 2015	Standing Orders Appendix B reviewed by Council. No amendments.
9 th May 2016	No 22 – replace 5 year lease with 2 year No 34 – remove bookings clerk and replace with Council office staff
12 th June 2017	Changes to Assistant Clerk now referred to Charities Secretary and removal of appointing a separate Chairman to Charities as Council – now all under the remit of the Chairman of Council
14 th May 2018	Item 20 remove the Kiosk from use by the Football Club, Item 32 change date from November to January.
13 th May 2019	No changes noted.
11 th May 2020	No changes noted.
10 th May 2021	Changes to item 20 management of the building known as the Red House Social Club.
9 th May 2022	No amendments required
15 th May 2023	No amendments required