



Oldham
Council

Report to CHARITABLE TRUST COMMITTEE

146 Werneth Hall Road, Werneth

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Reason for Report

To provide the Charitable Trust Committee with an update on the consultation undertaken as advised by the Charity Commission.

Recommendation

To note the report and approve the draft Cy-Pres Scheme.

146 Werneth Hall Road, Werneth

1 Background

- 1.1 146 Werneth Hall Road is a former residential property which was gifted to the Council by Sarah Lees by a deed dated 8th January 1914 with the specific request that it be “assured as a site for a school for the teaching of housewifery and other domestic tasks”.
- 1.2 At the last meeting of the Charitable Trust Committee on 13th June 2019, the Committee authorised officers to make an application to the Charity Commission for a Cy-pres Scheme to widen the objects of the Sarah Lees Charity and to seek an order for sale of the premises known as 146 Werneth Hall Road:-

“(2) in light of the outcome of the consultation process and the comments and feedback received, a cy-pres scheme application be made to the Charity Commission to change the objectives of the charity to “To advance the education of the public by grant funding charities offering training and learning in the life skills necessary to manage financial hardship, social or economic deprivation, social exclusion or poor mental or physical health”, the Committee considering there was agreement that the current objectives were outdated, that the proposed objectives remained close to the original when considering current social and economic circumstances, and that the scheme was not controversial as evidenced by the consultation responses;

(3) Officers be authorised to make an application to the Charity Commission for the Cy-pres scheme to widen the objectives of the charity and to apply for a waiver from issuing a public notice in addition to the advertisement for sale.”

- 1.3 The Charity Commission has considered the application made on behalf of the Charitable Trust Committee and has provided a draft Cy-pres Scheme, and seeks the approval of the Charitable Trustees to the draft scheme.
- 1.4 The draft scheme authorises the sale of the premises, but there is a caveat that the net proceeds should be held upon trust as an endowment. This means that the interest only on the capital investment can be distributed to further the objects of the Charity.
- 1.5 The proposed new objects of the Charity have been accepted by the Charity Commission and are as follows:-

“To advance the education of the public by grant funding charities offering training and learning in the life skills necessary to manage financial hardship, social or economic deprivation, social exclusion or poor mental or physical health”

3 Consultation Feedback

- 3.1 Not applicable

4 Recommendations

- 4.1 The Charitable Trust Committee is asked to approve the draft Cy-pres scheme and that officers be authorized to proceed with a marketing exercise to sell the premises known as 146 Werneth Hall Road for market value once the scheme has been finalized by the Charity Commission.
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3 **Financial Implications**

3.1 Not applicable

4 **Legal Services Comments**

4.1 Legal Services would recommend the approval of the draft Cy-pres scheme as it stands.

4.2 As explained in the body of the report the proceeds of sale will be held as a permanent endowment. The Charity Commission has provided the following explanation:

“This means that only the income obtained from the proceeds (e.g through investment) will be available to further the new objects of the charity. If the trustees would like to be able to spend the proceeds rather than just the income the Trustees will have to explain why they believe that this would be expedient and in the interests of the charity. In doing this the Trustees will need to explain:

- How spending the proceeds of sale is consistent with the spirit of the original gift; and
- Why being able to spend the permanent endowment itself, rather than just the income, would allow the charity to carry out its new purposes more effectively.

Alternatively, if, after the scheme is authorised and the land sold, the trustees believe it would be in the charity’s best interests to release the permanent endowment restriction, they could apply to us then. Further information about this process is available on our website; Spending permanent endowment.”

4.3 Therefore, Legal Services would advise proceeding with the sale of the property once the cy pres scheme has been finalised and then decide at a later stage whether or not to apply to the Charity Commission to release the permanent endowment restriction in the scheme. However, at this point in time it would be premature to make such an application and a further report to the Charitable Trust Committee would be necessary once all of the options for spending the charitable funds in the interests of the charitable objects have been fully explored and considered. (Elizabeth Cunningham Doyle)

8. **Co-operative Agenda**

8.1 Not applicable

9 **Human Resources Comments**

9.1 Not applicable

10 **Risk Assessments**

10.1 None

11 **IT Implications**

11.1 Not applicable

12 **Property Implications**

12.1 There are no immediate property implications arising from the content of this report. (Mark Elton)

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- 13 **Procurement Implications**
- 13.1 Not applicable
- 14 **Environmental and Health & Safety Implications**
- 14.1 Not applicable
- 15 **Equality, community cohesion and crime implications**
- 15.1 Not applicable
- 16 **Equality Impact Assessment Completed?**
- 16.1 Not applicable
- 17 **Key Decision**
- 17.1 No
- 18 **Key Decision Reference**
- 18.1 Not applicable
- 19 **Background Papers**
- 19.1 Report to the Charitable Trustees Committee meeting – 19th September 2017.
- 19.2 Report to the Charitable Trustees Committee meeting - 13th June 2018
- 20 **Appendices**
- 20.1 Appendix 1 Draft Scheme
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