

BLYTH TOWN COUNCIL
Community Development Committee
Thursday 27 June 2024
Decision Report

1. Blyth Valley Trust for Youth Charity (BVTFY)

Recommendation:

The Community Development Committee consider the proposal from Northumberland County Council/Active Northumberland (NCC/AN) and make recommendation to Council on:

- **the future administration of this fund based on the proposal by NCC/AN, and if so**
- **any proposed changes, including any potential changes to the beneficiary area, and**
- **any future financial provision subject to budget approval**

Ward

Not ward specific.

Risk Management

There are no budgetary requirements currently in managing the fund as outlined by NCC/AN. Should the council decide to manage the money in the fund then this would be separate to the council's accounts.

Objective

To promote the environmental, social, and economic wellbeing of the town and its community.

Report

Officers have been contacted by NCC/AN about the future administration of the BVTFY charity. This objective of the BVTFY Charity is the

"Advancement of education and well-being of young people from the Borough by the provision of grants to deserving students active in the fields of arts or physical recreation from the Borough of Blyth Valley to be used for the furtherance of their activities and to enable them to attend centres of excellence or similar establishments."

This fund was set up in the days of Blyth Valley Borough Council in 1983, see the Trust Deed shown at Appendix 1. After local government

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reorganisation in 2009, this was transferred to Northumberland County Council, who later passed this on to Active Northumberland, who were then registered as joint trustee with other named individual trustees. Current trustees as shown on the Charity Commission site are shown at Appendix 2.

Active Northumberland, who have been a trustee since 2022, have informed us that no meetings have taken place for some time, and the fund has a value of some £25k. Officers have been informed that NCC/AN have tried to contact the other trustees and this has resulted in there being no active trustees other than AN, as a result of bereavement, no longer wishing to be a trustee, or exhausting contact attempts.

NCC/AN feel that this fund would be better administered by the Town Council, alongside the excellent community funding scheme we have. AN are in the process of closing down the business and they expect it to be liquidated in September 2024 and require a decision from the Council as soon as possible.

Officers have raised with NCC/AN that we deal with funding applications that benefit the town whereas this fund was set up for the benefit of applicants within the previous Blyth Valley B.C. NCC/AN acknowledged this but outlined that if we did wish to manage this fund, as trustees, that we could change the beneficiaries if we so wished.

The Charities Commission has confirmed that any changes to the governing document that affect the purpose of the charity would require authorisation from the Charities Commission, including changing a clause that defines the area where the charity works or who its beneficiaries are.

The fund itself awarded grants based on the level of income received from the capital investment of £25k. With current investment rates this would not bring about much revenue to distribute on an annual basis – but again NCC/AN suggest that this could be changed, to use the £25k differently until either the fund is exhausted, or we make contributions to it.

If this Council do agree to become trustee, then AN will do the necessary liaison/paperwork in line with the requirements of the Charities Commission. The power of appointing new trustees lies with the surviving or continuing trustees.

Consideration should be given regarding whether the Town Council would wish to be a sole corporate trustee; the council as a corporate body holds the property and oversees its application as charity trustee, or a joint trustee together with individual trustees which could include representatives from the other parish councils within the former Blyth Valley area.

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If the council pursues being the sole corporate trustee, it should set up a committee. The individual committee members would not be charity trustees. The committee will be governed in accordance with charity law and decisions made in the best interests of the charity, not the council. The charity's governing document should set out if non-councillors can be members of the committee. If not, all members of the committee must be councillors.

The charity should be independent of the Council and the Council must realise it has a dual role and keep the administration of the two separate, e.g. the Charity should have its own committee and not be incorporated into existing committee structure.

The charity monies should be held in a separate account and the accounts should be administered and audited in a separate regime to that of the council.

The advantage of the council being a corporate trustee is that where some charities struggle to recruit trustees, the council as a corporate body would provide security as it exists in perpetuity.

The disadvantage of being a corporate trustee is the potential blurred lines between the charity and the council, the Council must cast aside its corporate priorities and give precedence to the charity priorities when conducting business of the charity.

Malcolm Wilkinson
Town Clerk

11 June 2024