

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 4. After local government

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.

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

THIS TRUST DEED is made this Fifteenth day of December One Thousand Nine Hundred and Eighty Three by GILBERT WILKINSON BARKER of 2 Park Lea Seaton Sluice Whitley Bay and DAVID CRAWFORD of Municipal Buildings Seaforth Street Blyth and DR. DAVID DOUGAN of 10 Osborne Terrace Jesmond Newcastle upon Tyne and JOHN EARNSHAW of 23 Mallard Way South Beach Estate Blyth and RITA MARY FERRY of 'Carina' Holywell Whitley Bay and BRIAN LAMBERT of 9 Winchester Avenue Blyth and KIE MISKELLY of 16 Park View Whitley Bay and WILLIAM LUMSDEN SAUNDERS of County Court Building Hallgarth Street Durham and NORMAN WISEMAN of Astley High School Seaton Delaval Whitley Bay (hereinafter called "the Trustees")

W H E R E A S:

1. It is intended to establish in the Borough of Blyth Valley an Educational Fund to be called the "Blyth Valley Trust for Youth" (hereinafter called "the Charity") and sums have been invested in accordance with the Trustees Investment Act

2. The Trustees are the Trustees of the Charity

NOW THIS DEED WITNESSETH AND IT IS HEREBY DECLARED as follows:-

(1) The object of the 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 the 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

(2) The Trustees shall invest all monies received whether by way of subscription donation bequest or otherwise (hereinafter called "the Capital Fund") in any investments authorised by law for the investment of trust fund with power to vary such investments for others of a like nature at their discretion

(3) The Trustees may from time to time open and maintain in their names a bank account or bank accounts at such Bank or Banks as they shall from time to time decide and may at any time pay any monies held on account of the Capital Fund to the credit of any such account or accounts and all cheques and orders for the payment of money shall be signed by at least two Trustees

(4) The Trustees may out of the income arising from the Capital Fund and the Capital Fund itself (if necessary) make annual grants of such sums as the Trustees may determine for such periods as the Trustees may determine (for a period of not more than two years) or such other period as the Trustees may determine to each student as defined above

(5) If after payment of the grant as aforesaid there is a surplus of income the Trustees shall as and when they think fit apply or cause to be applied the yearly income of the fund and also the cash and investments and other property thereof if and insofar as the same may be applied as income in furthering the purposes of the fund

(6) The Trustees shall at the beginning of each financial year decide upon the total sum of grants to be awarded in that year and should any grant not be awarded the sum shall be invested as if it were a capital sum in accordance with clause 2 hereof

(7) The Trustees shall before the end of December in every year cause an advertisement or advertisements to be published inviting applications for the grant provided that in the first year a later date may be selected by the Trustees

(8) All applications shall be submitted to the Trustees who shall decide upon the merits of each application and the Trustees may if they so wish consult such other persons as they deem necessary in the event of a disagreement between the Trustees the majority decision shall prevail

(9) The Trustees may after such consultation as may be necessary select suitable candidates to be interviewed by the Trustees who may then choose the applicants to whom awards shall be made

(10) If a Trustee is in any way related to an applicant and is present when that application is the subject of consideration he shall at the meeting as soon as practicable after commencement thereof disclose the fact and shall not take part in the consideration of discussion of or vote on any question with respect to the application

(11) If at any time the Trustees shall decide that the purposes of the Fund cannot in the circumstances continue to be carried out they may by resolution determine that the cash investments and other property (if any) shall be applied for any other similar charitable purpose determined by the Trustees and if necessary the Trustees shall apply to the Charity Commission for advice

(12) The power of appointing new Trustees hereof shall be vested in the surviving or continuing Trustees for the time being (excluding any retiring Trustee) and if and whenever the number of Trustees shall be less than three then one or more new Trustees shall forthwith be appointed to bring the number of Trustees up to three PROVIDED THAT every new Trustee shall before acting in the trusts of this Deed sign a declaration of acceptance and willingness to act in the trust

- (13) The following regulations shall govern the procedure of the Trustees:
- (a) The Trustees shall hold at least two meetings in every calendar year one of which shall be the meeting at which the applications for grants are considered (hereinafter called "the application meeting") The Trustees may hold other meetings at such times and in such places as they shall from time to time decide and any Trustee may at any time convene a special meeting of the Trustees upon at least four days clear notice being given to the other Trustees of the matters to be discussed
 - (b) There shall be a quorum when three Trustees are present at any meeting but provided that no grant shall be approved without the consent of at least four Trustees
 - (c) The Trustees shall at each of their meetings appoint one of their number to be Chairman and as such he shall have a second or casting vote
 - (d) Except as provided by Clause 13(b) hereof every matter shall be determined by the majority of votes of the Trustees present and voting on the question
 - (e) Any resolution of the Trustees may be rescinded or varied from time to time by the Trustees at a subsequent meeting
 - (f) The Trustees shall provide and keep a Minute Book which shall be signed by the Chairman at the conclusion of each meeting or at some future meeting if the minutes shall have been duly confirmed
 - (g) The Trustees shall provide books of account in which shall be kept proper accounts of all money received and paid respectively by or on behalf of the Trustees for the purposes of this Deed
 - (h) The Trustees shall arrange for the accounts to be audited yearly by a Member of a recognised Accountancy Body
 - (i) The Trustees may retain and reimburse themselves out of the trust fund or income thereof all costs charges and expenses of or incidental to the administration of the trust hereof or in relation thereto including if the Trustees think fit the payment of reasonable expenses incurred in connection with the commissioning and production of suitable mementos or certification to be inscribed and presented by the Trustees to successful award-winners to commemorate their receipt of an award from the trust fund

4 Trustee(s)

Name	Role	Date of appointment
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DAVID GARRETT	Chair	
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Active Northumberland	Trustee	11 April 2022
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COUNCILLOR ELIZABETH ANN MITCHESON	Trustee	
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MAURICE JOHN DOBSON	Trustee	
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