

Chelveston-cum-Caldecott Parish Council

NORTHAMPTONSHIRE

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19th April 2010

The Charity Commission Direct
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No. 266486 CHELVESTON VILLAGE HALL ASSOCIATION
No. 309769 EDUCATIONAL FOUNDATION OF ABIGAIL BAILEY AND ANN LEVETT

Dear Sir or Madam:

In 2007 this Council contacted you (our ref O/2007/088/MHH dated 23/08/2007) with concerns relating to two charities operating within the parish. At the time the Commission responded the charities would be reminded of their obligations to file annual returns, etc, and that it would not be necessary to add Council nominated Trustees to the Educational Foundation.

Since that time, the Council considers the situation has deteriorated further, as evidenced below and has acted to resolve urgent issues pending a more permanent resolution. We now have a way forward and request the assignment of a case officer to assist us in making the necessary changes.

The Trustees of both charities have agreed with the actions proposed and have appointed Cllr Adrian Dale, Chairman of the Parish Council, as the Acting Clerk to both trustee bodies in order to facilitate the smooth transition without the disputes and acrimony that had previously existed between them.

Management and administration problems – Chelveston Village Hall Association

Summary:

For ten years the Chelveston Village Hall Association has largely relied on one individual to undertake all day to day management of the Village Hall and to administer the Charity. As a result of his advancing years and growing incapacity, the affairs of the Charity and the Village Hall have fallen into serious disarray. The problems came to a head when the individual suffered a serious illness in January 2010.

The Trustees asked Cllr Adrian Dale, Chairman of the Parish Council to assist in resolution. The conclusion of the work undertaken to resolve these problems is that the Chelveston Village Hall Association has failed to deliver its charitable objectives, has been mis-managed for the last ten years and is no longer a going concern. In accordance with paragraph 18 of its Trust Deed, the Charity Commission will be asked to facilitate a winding up of the Charity with remedial actions detailed below.

Issues uncovered and resolved:

1. The governing document of 1977 requires the Trustees hold an annual meeting open to the public in September, where the 5 elected Trustees are to be elected. There is no record or memory of such a meeting in the last ten years. [Trust deed paras 3 & 11]. No elections have been held in the last ten years.
2. The failure to hold an annual meeting in effect means all the elected & co-opted Trustees ceased to hold office one year after the last annual meeting, leaving only the 4 representative Trustees

Chelveston-cum-Caldecott Parish Council

NORTHAMPTONSHIRE

(Council, WI, PCC and the School Trustees – the Darby & Joan club and the Baptist chapel having ceased to exist in the intervening years). [Trust deed paras 3 & 19]. In reality there is now confusion over which of the remaining Trustees are representing which organisation as several belong to multiple organisations.

3. The governing document of 1977 requires the Trustees hold at least two other meetings a year. There is no record of any meeting since 2006. [Trust deed para 8]. Prior to that meeting, the last meeting was in 2003.
4. The charity had failed to submit annual returns since 2005. Only through the intervention of the Council Chairman acting initially as a personal representative of the incapacitated Trustee and latterly as the formally appointed Acting Clerk have the accounts finally been drawn up and submitted to the Commission (received by the commission during February 2010).
5. The most recent Trustee (appointed as a nominated Parish Council representative in May 2007) did not receive any information on the charity, including the governing document.
6. All bar two of the Trustees were unaware that they were actually Trustees of the charity. They believed themselves simply to be committee members with no formal responsibilities. On being advised that the committee members were in fact Trustees, one tendered her immediate resignation and the remainder plan to resign as part of the plan discussed below.
7. The Trustees have failed to produce a publicly available Trustee Annual Report (TAR), contrary to s11 *Charities (Accounts and Reports) Regulations 2005*, nor provide information on how it is meeting the public benefit test in line with s4 *Charities Act 2006*.
8. The sole purpose of the charity is to provide a Village Hall for use of the inhabitants of the parish. The Village Hall premises were leased from the Educational Foundation of Abigail Bailey and Ann Levett in 1977 for a period of 28 years. There was an option for renewal of the lease for a further 10 years but only if properly exercised 6 months before the end of the initial lease. The Trustees of the Chelveston Village Hall Association allowed this lease to expire on 19th December 2005 and failed to exercise their option for renewal. They have therefore failed to hold the lease in trust for the Village as required by the trust deed. [Trust deed para 1].
9. The Educational Foundation of Abigail Bailey and Ann Levett chose to allow the continued use of the premises without a valid lease whilst the situation was resolved. However, after 5 years there has been little action other than a letter from the Chairman of the Chelveston Village Hall Association written in 2007 (without first convening a meeting of the Trustees) requesting a new lease.
10. The terms and covenants of the lease were broken in the years 1998, 2000, 2001, 2003, when the annual rent was not paid within 21 days of the due date. Furthermore in 2008 and 2009 no rent or insurance was paid at all and arrears of £2,667.88 were accrued by the Charity's year end.
11. In spite of having no lease on the premises, the Chelveston Village Hall Association undertook an excellent internal redecoration of the premises in 2006/2007 at a cost of £13,000 using up 65% of its reserves.
12. The annual rent on the lapsed lease was set at £300/annum in 1991 following protracted and expensive arbitration. Even at this peppercorn level (£6/week) the Chelveston Village Hall Association is running at an annual loss of £500-£600 per annum.
13. At its year end (31st July 2009) the Charity had remaining liquid funds of £5,240.37. At Q3 end, (30th April 2010) liquid funds will stand at £4,859.20. Therefore the Charity does not have sufficient funds or the positive cash flow necessary to take on a new lease at a commercial rate (even if heavily discounted).

Chelveston-cum-Caldecott Parish Council

NORTHAMPTONSHIRE

14. Furthermore, the kitchen facilities built by the Chelveston Village Hall Association in 1977-1978 are now badly in need of refurbishment to meet current hygiene standards and toilet facilities do not meet the latest accessibility standards. The Association has no prospect of raising such funds and cannot apply for grants with its current governance record and recent cash flows.
15. The annual fire safety inspections and extinguisher/lighting tests have not been carried out and therefore the Village Hall was operating outside the terms of its premises licence for a large part of 2009/2010. On discovery, this was corrected on 6th April 2010 by the intervention of the Parish Council Chairman.
16. On 7th April 2010 the Trustees of the Charity met for the first time since 2006. The meeting was called by the Chairman of the Parish Council (now Acting Clerk to the Trustees). All of the registered Trustees were present with the exception of Mr Michael Foulger who is incapacitated following a serious stroke.
17. Whilst submitting that most of them did not realise they were Trustees and that they had never seen the governing document, they did agree that they had clearly failed to fulfil the terms of the trust deed of the Association. Even as a management committee they agreed that they are not maintaining and running the venue as it should be, sadly relying on Michael Foulger to do all the day to day work, even during his advancing years and ill health. They also agreed with the analysis that the Association is no longer a going concern and has little prospect of recovery in its present form.
18. **IT WAS THEREFORE UNANIMOUSLY RESOLVED BY ALL TRUSTEES PRESENT:**
 - a. That the Chelveston Village Hall Association be formally wound up as a charity and that its assets be transferred on trust to the Educational Foundation of Abigail Bailey and Ann Levett for the purpose of redeveloping and running a Village Hall and Educational Institute facility for the benefit of the inhabitants of the Parish of Chelveston-cum-Caldecott.
 - b. That the legally required Annual Meeting of the Charity be held as part of the Annual Parish Assembly in May 2010.
 - c. That **all** of the existing Trustees of the Chelveston Village Hall Association resign at the beginning of the Annual Meeting as provided for in clause 6 of the Trust Deed (1977).

Management and administration problems – Educational Foundation of Abigail Bailey and Ann Levett

Summary:

In comparison with the Chelveston Village Hall Association, the Trustees of the Educational Foundation of Abigail Bailey and Ann Levett have undertaken much more active management of their Trust. They have met regularly over the last ten years (with the exception of 2009 when no minuted meeting was held). However, the Trust has still relied on the same one individual to undertake all day to day management of its business affairs and to administer the Charity. As a result of his advancing years and growing incapacity, the administration of the Charity has fallen into disarray as evidenced below.

As with the Chelveston Village Hall Association, the Trustees of the Foundation asked Cllr Adrian Dale, Chairman of the Parish Council to assist in resolution. The conclusion of this work is that whilst the Charity has itself delivered no public benefit for 30 years, it is still a going concern and has the potential to do good works. However, the Charity's procedures and aims certainly need to be modernised and its long term financial position needs to be addressed. Whilst the reserves are currently healthy, the Trust has significant long term maintenance liabilities in its properties which are not being covered by current income. It needs to generate new long term income streams to survive and to properly fulfil its charitable objectives.

Chelveston-cum-Caldecott Parish Council

NORTHAMPTONSHIRE

Issues uncovered and resolved:

19. The charity had failed to submit annual returns since 2007. Only through the intervention of the Parish Council Chairman acting as a personal representative of the incapacitated secretary have the accounts finally being submitted to the Commission (received by the commission during February 2010).
20. The Trustees have failed to produce a public available Trustee Annual Report (TAR), contrary to s11 *Charities (Accounts and Reports) Regulations 2005*, nor provide information on how it is meeting the public benefit test in line with s4 *Charities Act 2006*.
21. The charity had failed to act to recover, or formally write-off, the monies owed from the Chelveston Village Hall Association above, contrary to its 1906 & 1977 governing documents. Only through the intervention of the Council Chairman acting as a Personal Representative of the secretary, have the Trustees finally decided to act to recover the monies owed [1906 trust deed para. 9].
22. The banking mandates for all of the trust's accounts are out of date leaving the trust without the necessary signatories required to operate its banking facilities. This is still in the process of being resolved and the charity is currently unable to pay its bills by cheque.
23. The 1906 revised scheme governing document, whilst requiring the Trustees to meet at least once a year, dropped the earlier 1796 requirement that the Trustees should hold a public general meeting on the Monday before the feast of St John the Baptist (24th June). [1906 trust deed para. 2]. Consequently, given the lack of public meetings, the absence of reporting and the failure to submit returns there has been no opportunity to challenge the workings of this Charity and no transparency about how Trustees are appointed. This is clearly contrary to the principles of good charity governance and has effectively prevented intervention until now in spite of public disquiet first expressed at an Annual Parish Assembly in 2002.
24. The charity has managed to accumulate significant funds (approximately £85,000) whilst not making any educational grants, contrary to its 1906 & 1977 governing documents. [1977 trust deed para. 3 (2)]. The last educational grant activity was in 1973 involving the giving of a small essay prize for local school children. Other than the granting of the lease of the Chelveston School to the Chelveston Village Hall Association in 1977, the charity has delivered no public benefit in nearly 30 years.
25. Whilst the reserves position seems currently healthy (perhaps too healthy), the Trustees have had to spend £12,000 of reserves over the last two years on urgent external renovations to the Chelveston School (used as the Village Hall). Another £3,000 of urgent renovations have recently been identified to maintain the fabric of the building following the hard winter.
26. The charity is obliged by its trust deed to maintain the endowed buildings as the first call on its funds. It has always sought to discharge this duty but a lack of clear long range planning means that up until 1985 this duty had absorbed all disposable funds leaving none for making educational grants (its second object). Since 1985, when the School House property was let at a commercial rate, they have been able to accumulate large surpluses but have still not made grants.
27. However, unless there is a change to its income structure, it is probable that the existing reserves will quickly be used up again by the next round of maintenance of the old building. The existing income for the trust is capped at £8,600/annum – being the domestic rent of the School House and the peppercorn residual rent from the Chelveston Village Hall Association, together with interest on current investments. This is not sufficient to maintain the overall property – School House and Chelveston School (now used as a Village Hall). Additional income streams are needed if the trust is to fulfil its aims of making educational grants.
28. Prior to the intervention of the Chairman of the Parish Council – Cllr Adrian Dale, the last minuted meeting of the Trustees was 21st October 2008. The Cllr Dale prepared an in-depth report (dated 25th February 2010) on the governance and management issues his work had uncovered. The Trustees held an emergency meeting on 26th February 2010 and appointed Cllr Dale to be the Acting Clerk to help resolve the issues.

Chelveston-cum-Caldecott Parish Council

NORTHAMPTONSHIRE

29. Cllr Dale has since worked with the Trustees to stabilise the management of the charity and to bring much of its accounting and reporting up to date. However, it is now time to consider a way forward for both charities.

The provision of educational/recreational facilities for Chelveston-cum-Caldecott

30. At their next meeting of the 12th March 2010, the Trustees of the Educational Foundation of Abigail Bailey and Ann Levett reviewed the recent usage of the Chelveston School premises and found that the majority of regular hirers were in fact educational in nature – University of the 3rd Age, Group 74, Women's Institute, Nene Valley Astronomers, Chelveston Free Spirits. These groups offer instruction, training and lectures to people of all ages but tend to attract people in the 40+ age group (with the exception of the Nene Valley Astronomers who also attract local younger people).
31. These groups are very similar in nature to those that used the original Chelveston Village Institute (279156 – deregistered) a trust which was replaced by the Chelveston Village Hall Association when the original Village Institute building collapsed in 1970. The role of the Chelveston Village Institute was to provide a community education and recreational facility for adult residents in parallel with the Educational Foundation which ran the old school for the benefit of the young people in the parish.
32. The assets of the Chelveston Village Institute (principally the land on which it stood) were used to endow the Chelveston Village Hall Association enabling it to take on the lease of the redundant Chelveston School (the school was closed in 1969) from the Educational Foundation of Abigail Bailey and Ann Levett. The newly formed Village Hall Association re-equipped the building (tables, chairs etc) and constructed the new kitchen/toilet facilities (with additional grant aid). The endowment received from the sale of the Village Institute land was £7,100 – a substantial sum at that time.
33. It is now rather sobering that this substantial endowment and the surpluses built up by the Village Hall Association over the years of good management has now been reduced to liquid funds of £4,859.20 following the extensive internal redecoration of the facility. Whilst this redecoration was well overdue and necessary for the facility to continue in use, it has left the Chelveston Village Hall Association with insufficient funds to continue in its present form without a lease – potentially representing a significant loss of amenity for the residents of the Village.
34. From the recent Parish Council Village Appraisal it is clear that the demographics of the parish have shifted dramatically since the Educational Foundation was created in 1796. Children of primary and secondary school age are now significantly outnumbered by the “active retired” and by adults with ongoing interests in continued education. It is these demographic groups that feature heavily in the membership of the organisations now using the residual Village Hall facility.
35. The Trustees of the Educational Foundation of Abigail Bailey and Ann Levett therefore believe that they can best deliver a clear public benefit and remain within the spirit of the original bequest if they embrace the provision of a combined but enhanced **Village Hall/Educational institute** facility within the premises originally known as Chelveston School.
36. This would be delivered as part of its own charitable objectives rather than entering into a complex leasing arrangement with another charity dedicated to that specific purpose.
37. The Trustees of the Educational Foundation propose the refurbishment of the existing Chelveston School facilities (rather than patching up the existing out of date buildings) to replace the deficient kitchen and toilet block. A modern broadband network would be installed as there are no facilities in the local rural area which offer internet access for young people or clubs and societies in a meeting venue.
38. This improvement in facilities would attract even more bookings from the educational organisations that already use the facility and would attract additional bookings from nearby villages. This improved utilisation would then allow the facility to move from its current loss making position to one in which the annual maintenance costs were easily covered.

Chelveston-cum-Caldecott Parish Council

NORTHAMPTONSHIRE

39. This in turn would allow the Trustees to safely resume making educational grants to local young people to enable them to continue their studies or apprenticeships. The endowment assets of the Educational Foundation would then be protected as all grants would be made from income and not from accumulated reserves.

Comparison of proposals with the Educational Foundation Trust's schemes

40. The Trustees have reviewed their extensive 18th May 1906 scheme and the somewhat simpler 15th July 1977 scheme which was modified to allow it to work with the Chelveston Village Hall Association.
41. It is clear that the Education Foundation of Abigail Bailey and Ann Levett and the Chelveston Village Hall Association together find themselves in a very similar position to the Educational Foundation/Sunday School case study found detailed on the Charity Commission web site <http://www.charity-commission.gov.uk/Publications/rs9.aspx#15>. Modification of the charitable objectives are necessary to better reflect the needs of the community the charities serve.
42. The 1906 scheme [Para. 17] determined that the endowment should principally be applied to **educational purposes** but does not specify age groups in this.
43. The 1977 scheme [Para. 3(2)] does specify that the Trustees should apply the income of the charity in **promoting the education of young persons residing in the parish** . . . It is not clear why this age group restriction was added, especially given the addition of a new power to lease the Chelveston School as a Village Hall for use by all residents.
44. The principle income for the Trust in 1906 was rental from parcels of land in the nearby Village of Hargrave.
45. Income from this land was to be divided into three parts: [1906 scheme paras 12-14]
- a. **One part was to be paid by the Trustees to the Managers of the School of the Foundation to be used by them for or towards the maintenance (including insurance) and improvement of the School buildings of the Foundation.**
 - b. **The remaining two of such parts shall be applied by the Trustees in the maintenance of scholarships tenable at:**
 - i. **At public secondary school**
 - ii. **At a secondary school recognised for grants under the Regulations of the Board of Education for Secondary Schools or for the purposes of scholarships by the Local Education Authority**
 - iii. **At an institution of technical, professional, or industrial instruction approved by the Trustees**
- and to be awarded to boys and girls whose parents are bone fide resident in the Parish of Chelveston-cum-Caldecott and who are and have for not less than three years been scholars at a Public Elementary School.**
46. The lands at Hargrave were sold at some point in the 1920's to purchase 548.51 income shares in the Charities Official Investment Fund. The income from this fund in 2009 was £229.60. Historically this would have been sufficient to maintain the buildings and to contribute to the salary of the school teacher (who used to live next door in School House). Today, however, this income doesn't even cover insurance costs.
47. The revised 1977 Trust scheme [Para. 2] of the Educational Foundation for Abigail Bailey and Ann Levett was modified to allow for the granting of a lease of the Chelveston School on trust **"for the purposes a village hall for the use of the inhabitants of the Parish of Chelveston-cum-**

Chelveston-cum-Caldecott Parish Council

NORTHAMPTONSHIRE

Caldecott without distinction of political, religious or other opinions for meetings, lectures and classes, and for other forms of recreational activity with the object of improving the conditions of life for the said inhabitants”.

48. Clear income from this lease [1977 scheme Para. 3] was to be applied in the first place to maintain the property and then to ***promoting the education of young persons residing in the Parish of Chelveston-cum-Caldecott in either or both of the following ways:***
- a. ***In or towards providing special benefits of any kind not normally provided by the local education authority for any school in or substantially serving the said parish***
 - b. ***In making grants to any charitable organisation in the said parish the objects of which include the advancement of the education of such persons or the improvement of their conditions of life, by developing their physical, mental and moral capacities through their leisure time activities.***
49. The new powers to grant a lease [Added in the 1977 scheme] and the nature of the lease granted have proved to be a serious problem over the last 30 years. The consequences of this lease have effectively been to prevent the Trustees from discharging their duties to make educational grants. The lease provided insufficient income to allow this, given the costs of maintaining the Chelveston School building to the standards required to be used as a Village Hall.
50. Many attempts have been made to resolve the issues (including discussions with the Charity Commission in 2002). The problems are as follows:
- a. The original lease granted placed a duty for the Village Hall Association to maintain the inside of the Chelveston School but not the outside of the building.
 - b. However, the rent being paid on the lease (Initially £35/annum and now £300/annum) did not generate sufficient funds for the Educational Foundation to maintain the outside of the Chelveston School building, including roofing, stonework and drainage. The ongoing maintenance of the School over the years has cost the Educational Foundation at least £20,000 to date and yet the lease has generated only £6,490 since 1977. This is clearly unsustainable.
 - c. The kitchen and toilet facilities built by Village Hall Association on the Educational Foundation land were not factored into any leasehold conditions and it is proving very difficult to establish clear responsibility for leakage/drainage problems between the two trusts. The demolition and disposal of the pre-fabricated kitchen facility will cost the Educational Foundation a significant sum, certainly more than the Chelveston Village Hall Association would have in reserve at its proposed winding up.

A proposed new Scheme for the Educational Foundation

51. The Trustees of the Educational Foundation now believe that the granting of a new lease on the Chelveston School to a separate organisation (especially to the Chelveston Village Hall Association) for the purpose of providing a Village Hall is not the appropriate course of action. It would be impossible to set a realistic rent level which will generate sufficient funds to maintain the original Chelveston School buildings. If a repairing lease were granted, then the situation would be even more complex as there are many shared walls, roof spaces and drainage systems leading to unnecessary management complexity to be handled by the Trustees.
52. At the Trustee meeting of the Educational Foundation on the 12th March 2010, IT WAS RESOLVED :
- That the Clerk works with the Trustees of the Chelveston Village Hall Association and the Charity Commission to effect a winding up of that charity and the transfer of its assets and responsibilities to the School Trustees {aka the Educational Foundation}.**
53. Following their 16th April 2010 meeting, the Trustees of the Educational Foundation of therefore propose modifications to its 1906 and 1977 schemes as follows:

Chelveston-cum-Caldecott Parish Council

NORTHAMPTONSHIRE

- a. **[Remove Para.2 – Letting]** Removing the power to grant an extended lease on Chelveston School – (now used as the Village Hall)

- b. **[Replacement Para.2 – Objectives of the Charity]**

The Trustees will provide and maintain a combined Village Hall/Educational Institute in the Chelveston School premises for the use of the inhabitants of the Parish of Chelveston-cum-Caldecott and surrounding environs without distinction of political, religious or other opinions for meetings, lectures and classes, and for other forms of recreational activity with the object of promoting the education of and improving the conditions of life for the said inhabitants.

- c. **[Replacement Para.3 – Application of Income]**

- i. *The Trustees shall apply the clear income of the Charity in the first place so far as requisite for the development and maintenance of the property of the Charity not required to be kept in repair by the tenants thereof.*
- ii. *Subject thereto, the Trustees shall apply the income of the Charity in promoting the education of young persons under the age of 25 residing in the Parish of Chelveston-cum-Caldecott in either or both of the following ways:*
1. *In or towards providing scholarships or bursaries for young persons residing in the said parish and studying at an institution providing artistic, technical, professional or industrial instruction approved by the Trustees.*
 2. *In making grants to any charitable organisation in the said parish the objects of which include the advancement of the education of such persons or the improvement of their conditions of life, by developing their physical, mental and moral capacities through their leisure time activities.*

- d. **[Use Existing Para.4 – Questions under the scheme]**

Any question as to the construction of this Scheme or as to the regularity or the validity of any acts done or about to be done under this Scheme shall be determined by the Charity Commissioners upon such application made to them for the purpose as they think sufficient.

- e. **[New Para.5 – Appointment of Trustees (missing from the 1906 and 1977 Schemes)]**

The Charity shall have seven Trustees, four appointed to the Trust by virtue of their elected office in other organisations within the Parish and three elected from the registered electors of the Parish. The seven Trustees shall be:

- i. *The appointed Incumbent of St John the Baptist Church – Chelveston-cum-Caldecott*
- ii. *The two elected Church Wardens of St John the Baptist Church – Chelveston-cum-Caldecott*
- iii. *An elected representative of the Parish Council – Chelveston-cum-Caldecott*
- iv. *Three Resident Trustees of the Parish of Chelveston-cum-Caldecott elected by registered electors at the Annual Public Meeting of the Foundation for a first term of three years, with an option to stand immediately for re-election at the end of their term for a second term of three years. A full 12-months would then need to elapse before a resident was eligible to stand for re-election as a Trustee.*

- f. **[New Para.6 – Casual Vacancies – Resident Trustees]**

Upon the occurrence of casual vacancies amongst the Resident Trustees, the remaining Trustees shall have the power to co-opt residents of the Parish to fill these vacancies. The co-opted Trustee would normally be expected to serve the remainder of the term of

Chelveston-cum-Caldecott Parish Council

NORTHAMPTONSHIRE

the vacated Trustee position. Co-opted Trustees shall then be entitled to stand for election at the next Annual Public Meeting of the Foundation following the completion of their first term and (if elected) to serve a full three year second term thereafter.

g. [New Para.7 – Dismissal or Resignation of Trustees]

The appointed Trustees would normally be expected to serve for as long as they hold the relevant office and satisfy the Charity Commission's criteria for acting as a Trustee. On resignation or removal from their respective office for any reason, they shall be deemed to have resigned as a Trustee of the Foundation. Any elected or co-opted Trustee shall be deemed to have resigned as a Trustee of the Charity if they fail to attend three consecutive meetings of the Trustees without good reasons accepted and minuted as such by the remaining Trustees. The dismissal of a Trustee for mis-conduct of any kind shall be the subject of a motion proposed at an extra-ordinary public meeting of the Foundation to which all registered electors are invited.

h. [New Para.8 Replacing Para.2 1906 scheme – Meetings of the Trustees]

The Trustees shall hold a minimum of four meetings during a calendar year with four days' notice being given to all Trustees of the matters to be discussed. One of the meetings shall be designated "The Annual Meeting of the Trustees" and shall normally be held by the end of June. It is at this meeting that elections to offices and appointments to committees shall normally be made. An extra-ordinary meeting of the Trustees may, at anytime, be summoned by any two Trustees upon four days' notice being given to all other Trustees of the matters to be discussed. Meetings will be chaired by the Chair or Vice-Chair of the Charity save that if they are both not present five minutes after the scheduled meeting time, the Trustees present shall elect a chair for the meeting from amongst their number.

i. [New Para.9 Replacing Para 6. 1906 Scheme – Officers of the Charity]

At the Annual Meeting of the Trustees a Chair of the Charity and a Vice-Chair shall be elected. They shall also appoint a Clerk to the Trustees at a salary commensurate with the duties at that time. One of the Trustees may fulfil the role of Clerk, but no salary will be paid so long as they hold the office of Trustee. The Clerk shall be the nominated contact for the Charity Commission and bankers.

j. [New Para.10 – Confirmation of Appointment of Trustees]

At the Annual Meeting of the Trustees, all Trustees (whether appointed by virtue of their office, elected or co-opted) shall sign the necessary declaration that they are willing to serve in the capacity of Trustee in accordance with the latest legislation and regulations governing the operations of charities. The Charity Commission shall then be notified within one month any changes to the membership of the Trustee body.

k. [New Para.11 Replacing Para.2 1906 scheme – Public Meetings of the Foundation]

The Trustees shall report annually on the activities, accounts and plans of the Charity, an Annual Public Meeting of the Foundation. All inhabitants of the Parish of 18 years and upward must be entitled to attend and vote at the Annual Public Meeting. Seven days' notice of the matters to be discussed must be given by publication of a meeting notice on the Parish Council notice boards and the Church notice boards. An Extra-ordinary Public Meeting of the Foundation can be called by any four Trustees by giving seven days' notice of the matters to be discussed to the remaining Trustees and by publication of a meeting notice on the Parish Council notice boards and the Church notice boards.

l. [New Para.12 Replacing Para.3 1906 Scheme – Quorum]

There shall be a quorum when four Trustees are present at any meeting.

Chelveston-cum-Caldecott Parish Council

NORTHAMPTONSHIRE

m. **[New Para.13 Replacing Para.4 1906 Scheme – Voting]**

Every matter shall be determined by the majority of votes of the Trustees present and voting on the question. In the case of equality of votes, the chair of the meeting shall have a casting vote, whether or not they have already voted on the same question, but no Trustee in any other circumstances shall give more than one vote on a given question.

n. **[New Para.14 Replacing Para.5 1906 Scheme – Minutes and Accounts]**

Minutes of meetings and up to date accounts shall be maintained by the Clerk to the Trustees. Draft copies of all minutes shall be made available to all Trustees as soon as practical.

o. **[New Para.15 Replacing Para.6 1906 Scheme – Management of the Foundation]**

Within the limits prescribed by this Scheme and current legislation and regulations relating to the running of Charities, the Trustees shall have the full power to make regulations for the management of the Foundation, and for the conduct of their business.

p. **[New Para.16 – Management of the Village Hall/Educational Institute]**

The Village Hall/Educational Institute (as distinct from the Foundation itself) shall be managed by a Management Committee appointed annually by the Trustees. The Management Committee should comprise representatives from groups who regularly hire the venue, together with residents from the Village who are interested and prepared to accept responsibility for the day to day running of the community facility. At least one Trustee shall also be appointed to the Management Committee.

q. **[New Para.17 – Appointment of the Management Committee]**

The Management Committee shall be appointed by the Trustees for the coming year at the Annual Meeting of the Trustees. Nominations for Management Committee membership shall be called for and published at the Annual Parish Assembly, with representative members being nominated by their organisations beforehand. All the appointments to the Management Committee shall be subject to the approval of the Trustees. The Trustees of the Foundation shall approve a constitution for the committee which will include banking and reporting procedures. The Management Committee shall be tasked with producing an operating plan for the venue which delivers the objectives set by the Trustees. Their broad aim will be to maximise the use of the venue by suitable organisations, with the goal of covering all costs and generating surplus income for use by the Foundation to meet its other charitable objectives. The Trustees of the Foundation will report on the delivery of this plan as part of their Trustees' Annual Report delivered at the Annual Parish Assembly.

r. **[New Para.18 – Chelveston Village Hall Association]**

The Trustees of the Foundation will support and facilitate the smooth winding up of the Chelveston Village Hall Association – Registered Charity 26648, by accepting the transfer of its assets, liabilities and contractual obligations into the Foundation.

Conclusions

It should be stressed that the Council does not believe any financial impropriety has taken place in either Charity since the Council Chairman was able to find accurate records of all transactions that had taken place when constructing the annual accounts. The recent problems have arisen because the Trustees of both Charities relied on the same individual to undertake the majority of the administration of the Charities.

Chelveston-cum-Caldecott Parish Council

NORTHAMPTONSHIRE

The longer term historical problems have resulted from having unclear and overlapping responsibilities/objectives between these two Charities and by having an overlapping Trustee body for a significant part of the last 30 years. Numerous attempts have been made to resolve the issues over the years but now the situation is critical given the need to establish a way to run the Village Hall facility whilst paying for the upkeep of an old but historically important building.

We believe that the winding up of the Chelveston Village Hall Association is the appropriate way forward, given the difficulties that this charity has had in running its affairs and the structural problems with its financial situation. We believe that the interests of the community are best served by allowing the Educational Foundation to expand its charitable objectives slightly to grant it the power to run a combined Village Hall/Educational Institute. This compares with its current powers which allow it to grant a lease another Charity to run a Village Hall.

We believe that this is within the spirit of the original endowment as it supports the education of the inhabitants of the Parish and will better allow the generation of income surpluses which can then be applied to providing scholarships and bursaries to young people in the Parish.

We look forward to hearing your thoughts and to working with you to achieve this important transition.

Yours faithfully,



Cllr Adrian Dale
Chairman of the Parish Council, Chelveston-cum-Caldecott
Clerk to the Trustees of the Educational Foundation of Abigail Bailey and Ann Levett
Clerk to the Trustees of the Chelveston Village Hall Association

Response from Charity Commission

From: SCW-Taunton [webscwtaunton@charitycommission.gsi.gov.uk]

Sent: 11 May 2010 14:58

To: adrian.dale

Subject: Chelveston Village Hall Association (266486) and Educational Foundation of Abigail Bailey and Ann Levett (309769) CC:00700094

Dear Mr Dale,

Thank you for your letter dated 19 April 2010. Please accept my apologies for the delay in replying.

I have tried, without success, to obtain the files that contain our copies of the 1906 and 1977 schemes that govern the Educational Foundation. For reasons that are not clear to me the files have not been forwarded from our file store (that is currently being reorganised). I shall need copies of the governing documents for the Educational Foundation in order that I may make the scheme requested and I should be grateful if you could forward copies to me. I apologise for any inconvenience this may cause.

In respect of Chelveston Village Hall Association, the Charity Commission will not need to intervene in the winding up process. I am quite happy to accept that a resolution has been passed to wind up the charity and pass the assets to the Educational Foundation. In order that I may remove Chelveston Village Hall from the Register of Charities I should be grateful for a copy of the final accounts showing the transfer of assets and resulting in a nil balance.

I have no objection in principle to the proposed changes to Paragraphs 2 and 3 (i.e. the objects and application of income clauses) of the Educational Foundation scheme. These changes can be effected by scheme that I shall make after you submit copies of the Educational Foundation governing schemes to me.

Due to changes in charity law it is now possible to effect changes to administrative powers by way of resolution. This means that the non object specific clauses (i.e. paragraphs 3, 4, 5, 6, 7, 8, 9 10, 11, 12, 13, 14, 15, 16, 17 and 18) can already be "activated" since they do not require Charity Commission consent.

To summarise, I shall require the final accounts of the Village Hall Association in order that I may remove the charity from the register. I should also welcome receipt of copies of the 1906 and 1977 schemes. In return I shall make a scheme amending the Objects of the Educational Foundation using the proposed wording set out in your letter (i.e. the replacement paragraph 2 and 3). The additional proposed amendments can be made by resolution of the trustees and the trustees may wish to type up a version for their use.

Thank you for your assistance.

Yours sincerely,

David Hughes-Jones

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19/05/2010