



The Role of Trustees and Adapting to Changing Needs

Louise Beaton

Community Buildings Advisor

November 2017

Who are the trustees?

- **The charity or managing trustees are those people who have the general control and management of the administration of a charity, those who serve on the governing body, as trustees, directors or committee members. (CC3 – D)**
- **Most village hall trusts are unincorporated associations. The committee/charity trustees cannot hold property but need to appoint either 2/3 individuals or a corporate body (eg Parish Council or Official Custodian for Charities) to hold the title.**
- **The only function of a Custodian Trustee is to hold the title, acting on charity trustees' instructions.**

The Role of Trustees

- **To further the objects of the charity – to deliver the charitable outcomes for which set up, for the benefit of the public.**
- **To act in the best interests of the charity**
- **Strategic leadership and direction**
- **To ensure it complies with charity law and other legislation**
- **To ensure the charity remains solvent and safeguard its financial and other assets.**
- **Responsibility is collective.**

Re-cap other legislative requirements – H & S



- **FSRA = Legal obligation**
- **Electrical Inspections – PAT (1- 5 yrs or annually), IEE premises inspection at 5 years.**
- **Food hygiene – those not registered as food business still need to be clean.**
- **Risk Assessment = defence vs claims and means of ensuring hall is safe for vulnerable users.**
- **Other H& S - See ACRE VH info sheet 15**

Re-cap other legislative requirements - admin



- **Charity law – accounts, returns, property. 11**
- **Employment law (or self employed tests) 22**
- **Licensing – Premises (including alcohol) 9**
- **Copyright (PRS and PPL)**
- **General Data Protection Regulations 2018**
- **Covered in ACRE Information Sheets, AirS newsletters and exchange of information via Sussex Community Buildings Advisory Group, Hallmark, Workshops, Training.**

Adapting to Changing needs – constitutional and legal issues



- **The Objects clause sets out the purposes of the charity. eg:**
- **“The property shall be used for the purposes of a village hall for the use of the inhabitants of the parish of xxx without distinction of sex, political, religious or other opinions, including for meetings, lectures and classes or other forms of recreation and leisure time occupation in the interests of social welfare and with the object of improving the conditions of life of the said inhabitants”**

How are needs changing and how does this affect halls?



- **The population is ageing – more demand for health and wellbeing activities, need for accessibility, more or less volunteers?**
- **People are busier – have less time to give**
- **New technology, but some not connected.**
- **Need to improve older halls, provide more, warm, meeting space, better facilities, Wifi - but austerity has affected grant funding**
- **Rural transport and other service cuts profoundly affecting certain residents**
- **Other changes?**

Adapting to changing needs – constitutional and legal issues



- **Common issues: Can we make grants/gifts?**
- **Can we engage in promoting new activities eg Community Shop, café, library, lunch club, Bar, hiring out furniture, IT classes, news?**
- **What should we charge?**
- **Can we invest in new technologies eg solar panels, Wifi, electric charging points?**
- **What is the risk a) to the charity, b) personally?**
- **How to fund changes? Can we borrow?**

Principles to follow:

- **Is it in the best interests of *the charity*?**
- **In what way does it further the charity's objects? If not directly, will it provide an income which helps sustainability?**
- **Work out the risk to *the charity* and how to address it. Eg Separation or Trading Subsidiary?**
- **Discuss any concerns about personal risk/liability. Is Public Liability and Trustee Indemnity Insurance enough?**
- **Budget to include reserves and raise hire charges annually.**

Examples:

- **A Community run café is a leisure time activity, can be in the interests of social welfare by reducing isolation. Could be run by hall depending on scale. Risk low if volunteer run and food hygiene training and registration obtained.**
- **A shop – like a bar - involves non-charity trading. Income would need to justify activity, not exceed charity trading thresholds. Scale would require separation or trading subsidiary. Potential financial risk?**

Adapting to Changing needs – constitutional and legal issues



- **Adding capacity:**
- **Trustees with different skills? Change constitution and committee structure?**
- **Delegate to those with time and enthusiasm – sub cttees, working parties, set up another org – eg a Community Benefit Society, a Community Interest Company.**
- **Buy in help – staff, paid officers, firms, advice**
- **Funding – Parish Council, Awards for All, Sussex Community Foundation, Community Business Fund. Partners?**

Constitutional and legal issues

- **First seek to understand the constitution!**
- **S281 of Charities Act 2011 allows modernisation of management provisions by resolution, subject to CC consent. Care needed re wording and numbering.**
- **Certain changes not permitted by resolution eg objects, adding a dissolution or disposal clause, trustee benefits.**
- **Transfer to a Charitable Incorporated Organisation (CIO)?**

The Charitable Incorporated Organisation - CIO



- **A new corporate structure for charities**
- **A simpler, lower cost alternative to incorporation under company law as a Company Limited by Guarantee.**
- **Provides protection from personal financial liability incurred by a charity, eg being sued.**
- **Enables charity property & contracts to be held in name of the charity.**
- **When would transfer be appropriate?**

Reasons to transfer



- **Scale of operation – large, with several employess and a variety of contracts.**
- **Major building works are planned – things can go wrong**
- **A VH charity plans to run a large non-charitable trading operation eg bar**
- **Funder requirements, eg Community Business Fund.**

Points to note



- **Perception is ltd liability, but not in case of negligence or criminal activity**
- **An unincorporated association cannot “convert” to a CIO: a new CIO charity has to be registered, assets transferred and the charities merged (or old one wound up).**
- **An ACRE CC approved model is available for halls.**
- **Village Halls: Inhabitants are invited to attend AGMs, but vote is only required on election of charity trustees. Trustees are also the members – they vote on disposal of property.**

Further information



- ACRE Village Hall Information Sheets:
 - 15 – Health and Safety
 - 17 – Trustees
 - 39 - Village Halls and incorporation
 - 40 – Village Halls and their Governing Documents
 - 3 – Providing Services in Village Halls
- Airs Website: www.ruralsussex.org.uk