

Wicken Village Hall

Proposal to change the legal entity

The Parish Council has taken advice on the current status of the trust deed which came into effect in March 1975 which has highlighted that the lack of a committee of managing trustees and its commercial letting do not comply with the terms of that trust.

The Parish Council has always been the Custodian Trustee of the assets but has assumed, by default, the role of Managing Trustee but has not formally acquired the status of Sole Managing Trustee. The advice recommends that this practice does not continue.

There are now two options under consideration to modernise the trust arrangements to permit the Council to maintain and preserve the fabric of the building for the community in the longer term.

Option 1 involves applying to the Charity Commission to widen the objects of the existing charity. This would be subject to establishing that its operation as a village hall is no longer appropriate owing to lack of demand. This could then provide an option to sell the hall or to lease it on a commercial basis.

This option requires appointing the Council as Sole Managing Trustee and then careful segregation of the legal roles of the Council as a Council and then its role as Managing Trustee. Charity assets or income cannot be absorbed into the Council's finances.

Option 2 involves the creation of a Charitable Incorporated Organisation (CIO) with a new governing document to meet the current requirements. This has a limited liability structure which protects any individuals, serving as Charity Trustees, from any financial and contractual liabilities. The CIO is registered with the Charity Commission and can then have assets transferred to it so the Parish Council ceases to be the legal owner of the assets. Three or more Charity Trustees could then be appointed to run the trust entirely independently of the Council. Accounts will still be filed with the Charity Commission.

The Hall could be commercially let once the Council has established that there is no community need for a Village Hall at this time.

The legal advice suggests that Option 2 is easier to manage in practice as it avoids potential conflicts between the interests of the charity and the business conducted by the Council.

For and on behalf of Wicken Parsh Council