Lytchett Matravers Parish Council – Charitable Trust Working Group

Progress Report to Full Council, November 2019

1. Topics Discussed at Meeting on 4th November
* There was a discussion of record keeping for the Working Group. This issue was raised because the proposal to set up a Charitable Trust represented a substantive change in the way the Parish operated, and in particular might lead to the transfer of ownership of assets from Parish Council ownership to the Trust which would be independent. It was argued that the discussions leading up to these changes should be recorded in case any of the changes that took place gave rise to challenges in the future, so that the reasoning needed to be available for scrutiny. The existing arrangements are that the developments to date, leading up to the setting up of the Working Group, had been the subject of papers submitted to the Parish Council, and these had been discussed at Council meetings. Both the papers and minutes of these discussions are part of the records available in the public domain. It was recognised that now that the Working Group has been set up, the discussions were not minuted in the same way as Parish Council meetings, and the WG meetings were not open to public participation. However, progress reports are made to the Parish Council, and would form part of the public record, and any substantive decisions would be taken by the Parish Council, based on papers submitted to it.
* In addition to the normal membership of the meeting, Rob Aspray had been asked to attend because of his extensive experience of Community Land Trusts and Housing Associations in Dorset. There was an extensive discussion based on Rob Aspray’s experience, in which he described a model he had seen used a number of times in Dorset in which a CLT sets up a partnership with a Housing Association. The CLT then purchases a plot of land (either at a nominal value or a value set just above the agricultural value of the land), often an RES type site. The Housing Association may provide a loan to the CLT so that the latter does not need significant seed capital. The CLT then leases the land to the Housing Association, and the Housing Association obtains planning permission for social housing and arranges for the housing to be built. In this model, the CLT gets the ground rent for the housing (of the order of £2,000 to £5,000 per annum), and the Housing Association manages the property, and is responsible for vetting tenants (the criteria for selecting tenants may be set in the Section 106 Agreement put in place as part of Planning Consent), but with an arrangement by which the CLT has an ability to veto tenants proposed (eg if they are from outside the community).
* A “one-pager” had been prepared, which gave a summary of the assets that might be transferred to the Charitable Trust, the ownership of each asset, any leases that were in place, etc. The document also set out a number of suggested activities for the Trust, and next steps.
* A summary of the “Financial Starting Points” for the Charitable Trust had also been prepared, based on 2 possible phases of transferring assets to the Trust. Phase 1 would include the Rec Ground Car Park, the Scout Hut, the Sports Pavilion, and the Youth Hut. Phase 2 would add the Library. Based on income and costs for these assets in 2018/19, the Starting Position for Phase 1 would be a loss of just over £2,500, and the Starting Position for Phase 2 would be a loss of just under £12,000. Options would need to be developed to improve these Financial Starting Positions for the Trust to be sustainable.
* A number of residents of the village have been identified by members of the Working Group who could be potential Trustees of the Charitable Trust. The factors considering to select these individuals have including the skills mix required amongst the Trustees, as set out in papers to the Parish Council. The skills required include finance, law, entrepreneurship, property, and experience of working in the charity sector. These individuals have been contacted, and have indicated an interest in exploring the matter further. The next step is to arrange meetings with the potential Trustees to outline the proposed nature of the Charitable Trust, etc.
* A financial model for a Social Housing component for the Charitable Trust still needs to be developed. However, there was a consensus that the Charitable Trust should be set up based on the Phase 1 asset transfer, and the Trustees could subsequently add a Social Housing component.
1. Topics Discussed at Meeting on 25th November
* Meetings have been held with 6 potential Trustees, at which the proposed Charitable Trust has been described, and the “one-pager” referred to in section 1 above has been discussed. All 6 have expressed an interest in attending a further meeting. They have indicated that they will need to have further details of the assets which might be transferred to the Charitable Trust. It is also intended that a summary of the pros and cons of the different types of charities that might be set up will be prepared for them, leading to a recommendation to consider a CIO (with an explanation as to why).
1. Next Steps
* A meeting will be arranged before Christmas for the Potential Trustees at which they will be provided with more detail of the assets being considered, a draft vision for the Charitable Trust, and a summary of the various types of charity that might be set up.

Councillor Watts