



CHARITABLE TRUSTS SUB-COMMITTEE

Wednesday, 12 February 2025

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| REPORT TITLE: | INACTIVE CHARITITES FOR WHICH WIRRAL ARE THE NAMED TRUSTEE |
| REPORT OF: | DIRECTOR OF FINANCE |

REPORT SUMMARY

The purpose of this report is to provide information relating to inactive charities and the further investigation which is being undertaken to enable the transfer of fund balances to suitable third parties and the formal closure of each charity.

This report has no ward implications.

RECOMMENDATIONS

The Charitable Trusts Sub-Committee Committee is requested to:

1. Note the update regarding the seven inactive charities identified in paragraph 3.1 of this report.
2. Authorise the Director of Finance to proceed with steps towards the closure of the charities.
3. Request the Director of Finance to bring a report to a future meeting of the Sub-Committee with detailed proposals regarding the transfer of funds to appropriate third party organisations.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATIONS

- 1.1 There is no evidence held by Wirral of any current or previous activity being undertaken in the name of each charity.
- 1.2 Given that the charities were formed to distribute funds donated by third parties to deliver specific objectives, it is only right that the funds should be used as intended and not held by The Council indefinitely.
- 1.3 There is a small administrative burden associated with maintaining the charities. This relates to the submission of annual returns to the Charity Commission and activities related to the preparation of the Council's Statement of Accounts which include third party funds. As the charities are inactive, this burden is unnecessary and is not delivering an outcome to the Council's residents.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Re-activating the charities will require staff resources to both market the availability of the funds and to manage the activity and associated administration. Two of the charities have £0.00 funds remaining and there is no mechanism in place to top-up those with funds once the existing balances are spent. The closure of each charity is inevitable. There is highly likely to be active third parties in existence that deliver services that fall within the remit of the charitable obligations and to which the funding could be transferred. As active organisations, they will have the resources and mechanisms in place to undertake the management of the funds and associated administration. Re-activating the charities is not felt to be an efficient option.
- 2.2 Given the age of the charities and the length of time for which they have been inactive consideration has been given to the release of the financial balances to the General Fund, subject to any covenants and restrictions, on the basis that the Council does provide services that fall within the remit of the objectives of each charity. Due to the small balance available it is not felt that this would be of any financial benefit to the Council and usage of the funds in this way would not be transparent. This is not felt to be an appropriate option.

3.0 BACKGROUND INFORMATION

- 3.1 Following a review of the Council's balance sheet, investigation has been undertaken into balances held on behalf of third parties which includes six accounts which have charitable status. Further investigation with the Charity Commission has identified a seventh charity for which Wirral are named as the Trustee but which had not previously been identified as a third-party fund by Wirral. The relevant charities are detailed in appendix 1, with the fund balances listed below:

| | |
|-------------------------------|----------|
| Birkenhead HS (Stitt) | 0.00 |
| J E Cairns Memorial Fund | 2,076.36 |
| J Oldershaw | 517.68 |
| Penrice Travel – Wirral Girls | 6,515.95 |

| | |
|---------------------------------|-----------|
| Penrice Travel - Bebington High | 10,611.55 |
| Old Masters Young Poets | 4,335.14 |
| Puddydale Recreation Ground | 0.00 |

3.2 The charities do not have their own bank accounts but rather, when received, the donations were allocated to the Council's bank account. As the Council has benefitted from the cash balance, interest is added to each third-party fund at the end of the financial year. Any activities that the charity undertake that have a financial impact will be recorded in the Council's financial ledgers against the specific third-party fund balances.

3.3 Investigation has commenced to source suitable active third parties to which the funds could be transferred. Such organisations are likely to be in the voluntary/charity sector and must provide services in line with the objectives of the charities.

4.0 FINANCIAL IMPLICATIONS

4.1 The balances of the seven charities on 31 October 2024 totalled £24,156.68 as follows:

| | £ |
|---------------------------------|-----------|
| Birkenhead HS (Stitt) | 0.00 |
| J E Cairns Memorial Fund | 2,076.36 |
| J Oldershaw | 517.68 |
| Penrice Travel - Wirral Girls | 6,515.95 |
| Penrice Travel - Bebington High | 10,611.55 |
| Old Masters Young Poets | 4,335.14 |
| Puddydale Recreation Ground | 0.00 |

5.0 LEGAL IMPLICATIONS

5.1 Any covenants and restrictions that exists in relation the usage of the donated funds must be considered prior to any action being taken to transfer funds to a third party.

5.2 Charity Commission regulations must be followed whilst the charities are under Council control and in taking forward any steps to close any of the charities.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 None arising directly from this report.

7.0 RELEVANT RISKS

7.1 Any covenants and restrictions that apply to the donated funds must be observed prior to the transfer of funds to third parties. Failure to do so could result in challenge from the donator or their representative which could result in reputational damage for the Council.

7.2 The requirements of the Charity Commission in relation to the closing of charities must be observed. Failure to do so could result in challenge from and/or complaint to the Charity Commission.

8.0 ENGAGEMENT/CONSULTATION

8.1 There will be engagement with groups that represent the potential beneficiaries ahead of any distribution of funds and closure of the charities.

9.0 EQUALITY IMPLICATIONS

9.1 The Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2 There are no equality implications arising specifically from this report.

10.0 ENVIRONMENT AND CLIMATE CHANGE IMPLICATIONS

10.1 The content and/or recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The content and recommendation contained within this report have no direct implications for community wealth.

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APPENDICES

Appendix 1 – Registered Charities for which Wirral is the Trustee

BACKGROUND PAPERS

Charity Commission regulations made by the commission under the Charities Act 2022
Wirral Council Statement of Accounts 2023/24

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|-----------------|------|
| n/a | n/a |

Appendix 1 – Registered Charities for which Wirral is the Trustee

| Name | Charity number | Registered | How the charity spends its money | What the charity does | Who the charity helps | How the charity helps | Where the charity operates | Fund balances |
|---------------------------------|----------------|------------|--|-----------------------|----------------------------|---|--|-------------------|
| Birkenhead HS (Stitt) | 526026 | 30-May-72 | Training and Education | Education/training | Children/young People | Makes Grants to Individuals and Organisations | Wirral | £0.00 |
| J E Cairns Memorial Fund | 525993 | 16-Feb-73 | Training and Education | Education/training | Children/young People | Makes Grants to Individuals and Organisations | Wirral | £2,076.36 |
| J Oldershaw | 525981 | 05-Dec-63 | Training and Education | Education/training | Children/young People | Makes Grants to Individuals and Organisations | Wirral | £517.68 |
| Penrice Travel - Wirral Girls | 526005 | 16-Jun-64 | Exhibitions, bursaries and maintenance allowance or financial help | Education/training | Children/young People | Makes Grants to Individuals and Organisations | Wirral | £6,515.95 |
| Penrice Travel - Bebington High | 525983 | 30-Apr-63 | Provide Education and Training for the young people of Wirral | Education/training | Children/young People | Makes Grants to Individuals and Organisations | Wirral | £10,611.55 |
| Old Masters Young Poets | 1054047 | 26-Mar-96 | Training and Education | Education/training | Children/young People | Makes Grants to Individuals and Organisations | Knowsley, Liverpool City, Sefton, St Helens & Wirral | £4,335.14 |
| * Puddydale Recreation Ground | 520062 | 22-Jun-67 | Public Recreation and Children's Play | Amateur Sport | The General Public/mankind | Provides Buildings/facilities/ open Space | Wirral | £0.00 |
| TOTAL | | | | | | | | £24,056.68 |

* Puddydale Recreation Ground – Wirral named as the Trustee by Charity Commission but which had not previously been identified as a third-party fund by Wirral.