

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF GOVERNANCE	EXECUTIVE COMMITTEE	23 MAY 2024	10
LYTHAM INSTITUTE			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

RELEVANT LEAD MEMBER

This item is within the remit of Lead Member for Corporate and Economic Development (Councillor Karen Buckley) and the Lead Member for Tourism, Leisure and Culture, Councillor Jayne Nixon

PURPOSE OF THE REPORT

To outline proposals to amend the constitution of the charity to enable additional trustees to be appointed to work alongside the council.

RECOVERABILITY

This decision is recoverable under section 7 of part 3 of the constitution.

RECOMMENDATIONS

1. Adopt the amended scheme as set out in appendix 1 as the scheme of governance of the Lytham Institute charity.
2. Adopt the conflicts of interest policy as set out in appendix 2 as the charity’s conflicts of interest policy.
3. Establish a time-limited working group of three councillors to support the Head of Governance in the process for recruiting trustees and to report back to the committee with proposed role descriptions and recruitment process.

REPORT

BACKGROUND

1. The council is the sole trustee of Lytham Institute, which is a registered charity. During the spring of 2022, the Charity Commission undertook formal consultation on a draft scheme to change the outdated objectives of the charity. The scheme was made by the Commission in December 2023, and was reported to the committee on 30 January this year. The scheme now forms the constitution of the charity.
2. In response, the committee resolved to recognise that the objectives of the trust would be best achieved by appointing further trustees to work alongside the council and authorised the Head of Governance to bring forward proposals to amend the constitution of the charity to place before the committee to enable additional trustees to be appointed. This report puts forward those proposals, and invites the committee to adopt them, together with a conflicts of interest policy as required under the existing scheme.

PROPOSED AMENDMENTS

3. Appendix 1 of this report sets out the current scheme, highlighting the proposed amendments as tracked changes. The following paragraphs provide commentary on these proposed changes.
4. The change to clause 3 makes it possible for there to be further trustees in addition to the council.
5. The additional clause 4A gives the council power to appoint new trustees while it is the only trustee. If there is already more than one trustee, the power to appoint new trustees will rest with the trustees at a special meeting. The clause also requires new trustees to be chosen based on skill, knowledge, and experience pertinent to the needs of the charity.
6. Clause 6 as it presently applies requires additional safeguards if the charity is contemplating disposing of the Institute building, amending the charity objects, or ceasing to operate the charity. In any of those cases, the decision can only be taken if either (i) there are at least three independent trustees, or (ii) the decision is taken by a 'committee of the Executive' comprising a majority of members who are independent of the council. The change proposed is to remove the alternative in (ii), so that any decision to do any of the three restricted acts can only be made if there are three independent trustees. The second alternative was only intended to operate if the council continued as the only trustee. It is not needed now the intention is to add further trustees and would have been impractical to operate in any event.
7. The requirement for trustees to be appointed based on their skills, knowledge, and experience will be in clause 4A. The requirement to make rules and regulations is fulfilled by these proposed changes.
8. New clauses 8 to 18 (except for new clause 13) are extracted from the Charity Commission's model trust deed for charitable trusts.
9. New clause 13 makes provision for the council to attend trustee meetings through its nominated representative, who may be a councillor or an officer. The representative does not become a trustee in their own right. There is a similar provision in the constitution of the trust for Lowther Gardens.

POWER TO AMEND

10. The power to amend the scheme is contained in section 280A of the Charities Act 2011, which gives The charity trustees of such a charity power, if they are satisfied that it is expedient in the interests of the charity, to resolve that the trusts of the charity should be amended in such manner as is specified in the resolution, subject to certain exceptions which do not apply to the changes proposed

CONFLICTS OF INTEREST

11. The current scheme, and the scheme as proposed to be amended, require the council, while it is the only trustee, to manage conflicts of interest in accordance with a conflicts of interest policy to be adopted by the council taking account of guidance issued by the Charity Commission.
12. A suggested conflicts of interest's policy is appended as appendix 2.

ADDITIONAL TRUSTEES

13. One of the most fundamental decisions that the council will make as trustee of the Lytham Institute is who to appoint as trustees to work alongside the council. There is extensive Charity Commission guidance on best practice in [finding new trustees](#). The guidance stresses the importance of proper approaches to finding, evaluating, and vetting potential trustees, including defined role descriptions based on the needs of the charity.
14. The committee is asked to establish a time-limited working group of three councillors to work with the Head of Governance to develop the required role as well as the process for recruiting trustees and report back to the committee.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	
Environment – To deliver services customers expect	
Efficiency – By spending money in the most efficient way	
Tourism – To create a great place to live and visit	

IMPLICATIONS	
Finance	There are no direct implications from the report.
Legal	The legal power to make changes to the scheme rests with the council, as the only trustee, by virtue of section 280A of the Charities Act 2011.
Community Safety	There are no direct implications from the report.
Human Rights and Equalities	There are no direct implications from the report.
Sustainability and Environmental Impact	There are no direct implications from the report.
Health & Safety and Risk Management	There are no direct implications from the report.

SUMMARY OF PREVIOUS DECISIONS
Finance & Democracy Committee 22 July 2019 Finance & Democracy Committee 17 Feb 2020 Council 9 Mar 2020 Finance & Democracy Committee 25 Jan 2021 Finance & Democracy Committee 7 Oct 2021 Finance & Democracy Committee 24 Jan 2022 Executive Committee 30 January 2023

BACKGROUND PAPERS RELEVANT TO THIS ITEM		
Name of document	Date	Where available for inspection
Charity Commission guidance: Trusts and unincorporated associations: changing your governing document	7 March 2024	www.gov.uk/government/publications/changing-your-charitys-governing-document-cc36/trusts-and-unincorporated-associations-changing-your-governing-document
Charity Commission guidance: Finding new trustees	7 March 2024	www.gov.uk/government/publications/finding-new-trustees-cc30/finding-new-trustees
Charity Commission guidance: Conflicts of interest: A guide for charity trustees	31 October 2022	www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29/conflicts-of-interest-a-guide-for-charity-trustees#annex-4-drawing-up-a-conflicts-of-interest-policy

LEAD AUTHOR	CONTACT DETAILS	DATE
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Appendix 1: Scheme of governance with tracked changes

Appendix 2: Draft conflicts of interest policy