

TRUSTEE BOARD OF THE GILSTRAP AND WILLIAM EDWARD KNIGHT CHARITIES

2 OCTOBER 2020

GUIDANCE ON THE COUNCIL'S ROLE AS CORPORATE TRUSTEE AND MEMBERS OF THE TRUSTEE BOARD

1.0 Purpose of Report

1.1 To give Board Members guidance on their role and duties when acting on the Board on behalf of the Council as Corporate Trustee.

2.0 Background

2.1 Given that this is the first meeting of the Board since it was reconstituted by Council at its meeting on 17 December 2019 and there are some new Members, it may be helpful to set out some background, context and guidance on discharging responsibilities as the corporate trustee of the Gilstrap and William Edward Knight charities.

2.2 The Council's Constitution sets out the remit and membership of the Trustee Board, which comprises five councillors (all Newark Ward Members), with the remaining four Newark Ward Councillors as co-opted Members without voting rights. The Board's remit is to:

- i. act as trustee on behalf of the Council of the Gilstrap Charity and W E Knight Trust;
- ii. receive the annual accounts of the above charities; and
- iii. make operational and strategic decisions relating to the above charities.

2.3 Newark & Sherwood District Council, as a corporate entity, is the trustee of the Gilstrap and William Edward Knight Charities. The Council has, in its constitution, delegated the management of the Charities' affairs to be discharged by the Trustee Board operating in the same way as the Council's other committees, whilst recognising the requirements also to comply with charity law and the Trust Schemes of the two charities. Members of the Trustee Board are therefore discharging the obligations of the two charities on behalf of the Council, in much the same way that the other council committees do in respect of the local authority's functions relating to leisure, housing, planning etc. However, the Council as the corporate trustee, retains ultimate responsibility for the charities.

3.0 Powers and Duties

3.1 The powers when acting in the capacity of corporate trustee for the Charities derive from charity law and the charities' constitutions and it is important therefore that Members of the Board are aware of the Trust Schemes that apply to the Gilstrap and William Edward Knight Trusts and in particular the objectives and purposes of those trusts.

3.2 The key duties of the Council as Corporate Trustee are to:

- Act in the best interest of the charity;
- Act exclusively for charitable purposes
- Exercise care to avoid potential for the best interests of the charities to conflict with the best interests of the Council; and
- Keep trust monies in a separate account;

3.3 The 'key duties' of Members of the Trustee Board are more specifically:

1) **To act in the best interests of the charities**

You must ensure that you are considering the best interests of the charities as distinct from the best interests of the Council. This means that you have a duty:

- To the beneficiaries of the charities;
- To have regard to trust purposes and objectives to use charitable funds and assess reasonably and only in furtherance of the charities objectives;
- To avoid undertaking activities that might place the Charities' endowment, funds, assets or reputation at undue risk;
- To take special care when investing funds of the charities, or borrowing funds for the charities to use;
- To ensure that you act with integrity and avoid any personal conflicts of interest or misuse of charity funds or assets; and
- To provide strategic leadership – a positive duty to look towards the future of the charities.

2) **General Duty of Care**

- Use reasonable care and skill in your work as a trustee using personal skills and experience as needed to ensure that the charity is well run and efficient
- Consider getting external professional advice on all matters where there may be a material risk to the charity or where the trustee may be in breach of their duties

3) **Properly Manage the Running of the Charities**

- Ensure that the Charities are and will remain solvent
- Ensure that the Charities comply with charity law and the requirements of the Charity Commission as regulator (e.g. preparing annual accounts)
- Ensure that the Charities comply with the trust schemes

3.4 To guide Board Members in discharging their responsibilities, a handbook was compiled some time ago. This includes guidance notes, the 'Councillor's Guide to a council's role as Charity Trustee', and background information on the William Edward Knight and Gilstrap Charities. A copy of the Handbook will be circulated to all Members of the Board for future guidance.

4.0 RECOMMENDATION

That the Trustee Board note the contents of the report.

Background Papers - None

For further information please contact Karen White on Extension 5240.

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