

Dorcas Charitable Trust – Update and Annual Report for the Year to 31st March 2015

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Purpose of the Report

To update members of the Area South Committee who collectively act as trustees for the Dorcas House Trust and to approve the 2014/15 Statement of Accounts.

Public Interest

Dorcas House Trust (otherwise known as Portreeves or Corporation Almshouses) is a registered Charity, No. 235337 and is regulated under Charity Commission Schemes dated 3rd September 1973 and 1st February 1978. The Area South Committee act as Trustees of the trust.

Recommendation

- (1) To approve the Annual Accounts for the Dorcas House Trust
- (2) To note the update in the annual report
- (3) To delegate to the Chair of Area South the ability to negotiate the purchase of the proposed new dwellings on behalf of the Trust, taking advice from The Area Development Manager – South subject to final approval from the Trustees.
- (4) To delegate to the Chair of Area South the ability to negotiate an agreement to appoint a Housing Association as managing agent on behalf of and in accordance with the terms of the Trust subject to final approval from the Trustees.

Background

Dorcas House Trust (otherwise known as Portreeves or Corporation Almshouses) is a registered Charity, No. 235337 and is regulated under Charity Commission Schemes dated 3rd September 1973 and 1st February 1978.

As a local authority SSDC is required to demonstrate compliance with the underlying principles of good governance and that a framework exists to demonstrate this. One of the principles is accountability and by preparing and publishing the annual Statement of Accounts the Council achieves this objective.

The Accounts and Audit (England) Regulations 2011 came into force on 31 March 2011. The Dorcas House Statement of Accounts needs to be evidenced by the Chair of Joint Area Committee South signing and dating the balance sheet and the annual report.

Dorcas House was located in Preston Grove, Yeovil. The land on which it sat was conveyed to the Borough of Yeovil by means of a Deed of Gift on 30th May 1910 as a site for an Almshouse. The trusteeship is vested in South Somerset District Council and delegated to the Area South Committee.

The Council was under obligation to erect an Almshouse. Once built, Dorcas House was only to be used for poor women inhabitants of the Parish of Yeovil. In more recent years SSDC applied to the Charities Commission to have the covenants changed to allow women and their children to reside in the property.

Concerns regarding the ongoing cost of maintaining and managing the building in future years, together with the unsuitability and inflexibility of the accommodation prompted the trustees to consider alternative options to meet the objectives of the trust.

In February 2012 the Area South Committee, acting in their capacity as trustees considered a confidential report, which set out the possible options available for the Trust and agreed the following actions:

- Members, acting as trustees to the Charitable Trust, delegated power to Cllr Tony Fife to act as the nominated Member on the working group and to make decisions on behalf of the Charitable Trust without referral back to Committee.
- Members gave approval for Cllr Tony Fife and the Working Group to work with the Charities Commission to develop an acceptable scheme for the disposal of Dorcas House and the re-provision of more suitable accommodation.
- Members gave approval to market Dorcas House with Connells Estate Agents, subject to agreement of an acceptable scheme by the Charities Commission.

In addition to the property known as Dorcas House the trust also included managed investment funds. The trustees delegated authority to the Council's finance officer to liquidate these shares as and when this was appropriate and this was done in October 2013 as share prices were strong at that time.

Following advice from the Charities Commission that the Trustee's were permitted to sell and re-provide without the need for formal permission, the property was placed on the open market. The sale was completed in October 2013 producing a net capital receipt of £371,572 and in addition investments were realised for a sum of £52,032. Together with the cash balance held there is a capital fund of £439,182 for replacement properties.

It was proposed to seek replacement properties for the charitable foundation as opportunities arise within the settlement of Yeovil – for example as part of the obligated affordable housing on a qualifying site or as an adjunct to traditional housing association homes on an infill site.

It was proposed that the properties procured are two-bedroomed self-contained houses or flats, possibly in pairs rather than a block of dwellings in a single building as was previously the case.

However very few such sites had come forward in Yeovil. In fact all three key sites have been subject to some renegotiation of the level of obligated affordable housing due to viability and in any event fall largely outside of the formal boundary of Yeovil and inside adjacent parishes.

One possible Housing Association led infill site fell through before reaching planning application stage. However a site has emerged, within the traditional boundaries of Yeovil and with an existing planning permission, which is within the control of one of the Councils main partner Housing Associations. Agreement is in place in principle for the Association to sell a small number of dwellings to the Trust at cost. This means the Housing Association will lose the opportunity to produce the original number of dwellings for its own provision but also, in turn, will require a slightly lower level of public subsidy (in the form of grant either from the Council or from the HCA) for the site as a whole. In turn it is their expectation that the Trust will enter into a managing agent arrangement allowing the Association to retain control over housing management for the entire site.

Once alternative provision has been completed, the original terms of the Dorcas House trust will continue to apply to the new accommodation.

Financial Implications

Dorcas House draft statement of accounts details the financial position of the charity as at 31st March 2015 and is submitted at Appendix A for approval by Area South Committee at this July 2015 meeting. Grant Thornton, the District Auditors, will not review separately the annual Statement of Accounts and supporting working papers as the turnover is below £25k.

Corporate Priority Implications

This work supports the following corporate aims:

- Improve the Housing, Health and well being of our citizens

Carbon Emissions & Adapting to Climate Change Implications (NI188)

Energy leakage from the existing building will be decreased when the new owner redevelops the property. Re-investment of the proceeds of sale will be used for property that will be built to modern standards, which will be more energy efficient.

Equality and Diversity Implication

The nature of the Charitable Trust dictates the client group whose needs are met by this provision. We are in discussion with the Charities Commission about amendment of allowed usage that would broaden the nature of the client group.