

APPENDIX

Cabinet Minute Number:- CAB 129/11

Title:- Spence Bequest Transfer

Minute Details:-

Cabinet considered a report relating to the Spence Bequest, an unincorporated charity of which Stockton Borough Council was the corporate trustee.

It was explained that the Spence Bequest held a sum of money which was to be used, alongside Heritage Lottery Funds, for the construction of the Spence Building, a new museum store at Preston Hall. The principal of using the Spence fund for this purpose had been agreed by Cabinet at its meeting on 5th February 2009.

Members were reminded that the Spence Bequest had been founded by the will of G O Spence. The Council was the sole (corporate) trustee. The Governing Document was HIGH COURT (CHANCERY DIVISION) SCHEME DATED 18TH JULY 1966 and the charitable purposes were twofold: (1) public display of a collection of arms, antiques and articles de vertu contained in the will of G O Spence and presented to the corporation of Stockton on Tees ("Spence Collection"), and (2) application of the residuary estate in the purchase of land at Stockton on Tees in or towards the erection thereon of a public hall to be used by the local authority for such purposes as it may, from time to time, consider desirable ("Spence Fund"). A copy of the Governing Document was provided to members.

As part of the successful £6.6million Hall bid (53% Heritage Lottery Funded), a specific collections store building (known as the Spence Building) was created, housing the majority of the Museum collections for Stockton Borough Council.

The cost of constructing the new build store totalled £600k and it was intended that the Spence Fund would contribute £240k towards the construction cost. The release of such funds was contrary to the second of the currently stated charitable purposes but would have no effect on the continued public display of the Spence Collection which was central to the exhibitions and reserves at Preston Hall.

Members noted that a legal process must be followed to bring about the use of the residuary fund. The Charity Commission, regulator for charities in England and Wales, had assisted in the direction of this legal process. Recommendations suggested the passing of three resolutions by full Council that were key to this legal process.

The resolutions dealt with the introduction of new procedures (provided to members) that regulated the Spence Bequest Charity. They also proposed the appointment of three ex officio trustees and terminated the trusteeship of the Council.

RECOMMENDED to Council that

1. new procedures be introduced by way of statutory power (pursuant to s.74D of the

Charities Act 1993) that regulate how the charity is administered, to take immediate effect. Proposed procedures are appended to this report.

2. three ex-officio trustees, including Lead Cabinet Member, Arts, Leisure and Culture, be appointed, with immediate effect.

3. the trusteeship of the corporate trustee be terminated, with immediate effect, on the understanding that the newly appointed trustees may subsequently (subject to Charity Commission consent) amend the charitable purposes and bring about the release of capital from the Spence Bequest.