

REPORT OF FINDINGS ON THE DECISION BY
TRUSTEES OF RAME CONSERVATION TRUST
TO DISPOSE OF CHARITY ASSETS IN 2015

Prepared by the Trustees of Rame Conservation Trust (Charity no. 1066389)

Report submitted to Charity Commission: 11/08/2017

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1. BACKGROUND

Maker Heights

Maker Heights is strategically located on a hilltop - referencing its military origins - in southeast Cornwall, framed by the sea on three sides. It is a place rich in natural and human history, highly valued by local communities, and recognised as being of national importance.

Natural England has designated Maker Heights as part of Rame Head Area of Outstanding Natural Beauty (Cornwall AONB) and part of the Heritage Coast. Historic England has designated the fortifications and buildings as Scheduled Monuments and Listed Buildings (Grade II*) along with recognition of their setting in a historic landscape. The significance of Maker Heights is outstanding - as determined by the sum total of values of heritage assets at the site.

Rame Conservation Trust (RCT)

RCT was formed in 1997 when the freehold and leasehold of land and buildings at Maker Heights were purchased with the support of founding funders, the local community, and a loan from The Architectural Heritage Fund (AHF) (charity no. 266780).

RCT is a buildings preservation trust, formed using an 'off the shelf' package of governing documents (Memorandum of Association and Articles of Association) provided directly by The Architectural Heritage Fund as part of the agreement to receive funding (Standard Governing Document for a local Buildings Preservation Trust AHF 1996).

This charity's purpose is contained in its Governing Documents (Appendix 1) and can be summarised as 'to protect and promote the heritage assets at Maker Heights for public benefit'. This includes finding new uses for old buildings to generate income for their upkeep and preservation. Public benefit includes public access, education and experience of all forms of heritage value at the site.

Recent history

Appendix 2 gives a timeline of events and decision-making.

The disposal of charity assets

On 1st June 2015, the RCT trustees disposed of charity assets (freehold of land and buildings) to Evolving Places Ltd (EP Ltd) - a private property development company. RCT retained the freehold of the Barrack Building and, subsequently, also a lease agreement with Edgcumbe Estate for Scheduled Monuments and land at Maker Heights.

Scope of this report

The scope of this report is in accordance with the Charity Commission's letter of 4th January 2017 (Appendix 3) and seeks to ascertain:

'Whether the decision to dispose of the land was reasonable', and

'Whether there has been any loss to the charity from not meeting the legal requirements when disposing of charity land'.

Former trustees were contacted and given the opportunity to contribute. This report garners its content from:

- RCT Governing Documents
- Available RCT records examined by the current trustees between January and June 2017
- Responses from three former trustees
- Financial Analysis of the 2015 disposal
- An Independent Valuation of the disposition
- Legal requirements of Charities Act 2011
- Charity Commission guidelines:

CC3	The essential trustee: what you need to know, what you need to do
CC12	Managing a charity's finances: planning, managing difficulties and insolvency
CC26	Charities and risk management
CC27	It's your decision: charity trustees and decision making
CC28	Sales leases transfers or mortgages: what trustees need to know about disposing of charity land
CC2013	'Protecting your charity's reputation'

2. LEGAL REQUIREMENTS WHEN DISPOSING OF CHARITY ASSETS

It has already been established that legal requirements of the Charities Act 2011 were not met in full during the disposal of charity assets by former trustees. The legal requirements are detailed in CC27 (It's your decision: charity trustees and decision making) and CC28 (Sales leases transfers or mortgages: what trustees need to know about disposing of charity land).

2.1 Decision-making

There is a requirement on the part of charity trustees to follow Charity Commission guidance, and CC27 gives overarching guidance in this respect:

'The principles in this guidance should inform trustees' approach to decision making generally. It is important to apply them when making significant or strategic decisions, such as those affecting the charity's beneficiaries, assets or future direction.' (Page 1).

CC27 gives details of these good practice principles. Following them in governance supports effective decision making and helps ensure that a charity complies with the law. Trustees must be able to show how they have followed these principles.

2.2 Application of CC27 to the 2015 disposal

No evidence was found of how the former trustees followed the principles detailed in CC27.

2.3 Disposal of assets

CC28 details the legal requirements when disposing of charity assets.

2.4 Application of CC28 to the 2015 disposal

In this instance, the requirements of CC28 Item 2.3 can be answered as follows:

- The trustees did have a power to dispose of the assets (see RCT Governing Documents)
- Would the disposal be in the best interests of the charity? - No evidence has been found that this was properly debated with all parameters considered.
- RCT did own the title to the (freehold) land
- RCT Governing Documents did not prohibit disposal of charity assets, but did require compliance with charity law

- RCT Governing Documents meant that specific authority from the Charity Commission or the Court was not required, but compliance with charity law was.

The requirements of CC28 Item 4.1 were not met:

- The requirement to obtain and consider a suitable written report from a qualified surveyor was not complied with. The trustees used a survey intended for Commercial Loan Security dated 5th September 2014 (after the initial proposal was accepted).
- No evidence has been found that advice was sought or received from a qualified surveyor regarding advertising the disposal. No evidence has been found that the trustees discussed, proposed to or actually advertised the sale of the assets. All evidence found appears to indicate that word-of-mouth was relied upon only. In addition, it was decided that the membership would not be informed.
- No evidence has been found that discussions were held to satisfy trustees that the proposed terms were the best that could reasonably be obtained in the circumstances.

2.5 The requirement for good practice

The law imposes a duty of care on charity trustees, otherwise known as a duty to exercise such care and skill as is reasonable in the circumstances. The duty is greater if a trustee has (or claims to have) special knowledge or experience, or if their business or profession means they can reasonably be expected to have special knowledge or experience.

CC3 gives a clear definition of the duty of care of trustees:

‘Following the good practice specified in this guidance will help you to run your charity effectively, avoid difficulties and comply with your legal duties.’
(Page 3).

CC3 goes on to say:

‘Trustees should recognise and acknowledge when they need advice. This is particularly important if the charity (or its property) may be at risk, or if they could act in breach of their duties, for example, when:

- *buying or selling land (most charities must take advice from a surveyor or other qualified person when selling charity land)’* (page 26)

Indeed, (repeating the legal requirements of CC27) CC3 goes on to state:

‘So all charities should, and registered charities must:

- *obtain written advice, including a valuation, from a qualified surveyor before agreeing a sale or granting a lease for more than 7 years*
- *advertise the sale or lease, unless the surveyor advises otherwise*

Otherwise, you are likely to need permission from the Commission for the sale or lease.'

2.6 Application of CC3

No records were found of trustees having considered the guidance in CC3, nor seeking the advice of a qualified surveyor regarding advertising the proposed disposal, nor having advertised the proposed sale.

2.7 Risk assessment

CC3 explains trustees' main legal responsibilities and the actions that trustees must take in order to fulfil legal requirements. On the subject of risk, CC3 says:

'Trustees must avoid exposing their charity to undue risk and should take reasonable steps to assess and manage risks to its activities, beneficiaries, property and reputation.' (Page 27).

CC26 (Charities and risk management) details how charities should take reasonable steps to assess and manage risk.

2.8 Application of CC3 and CC26

No records were found of trustees having read CC3 or CC26, and no assessments were found of how the disposal might impact upon the charity's activities, beneficiaries, property or reputation.

The disposal of assets to a private property development company - with different values and ethos to this charity - was a potentially a high-risk activity with implications for heritage assets, public benefit and the charity's reputation.

2.9 Legal requirements of RCT Governing Documents

RCT Memorandum of Association states:

3) The object for which the Trust is established is to preserve for the benefit of the townspeople or the Borough of Rame in the County of Cornwall and the nation at large, whatever of the historical, architectural and constructional heritage may exist in and around the Borough of Rame aforesaid in the form of buildings (including any building as defined in Section 336(1) of the Town and Country Planning Act 1990) of particular beauty or historical, architectural or constructional interest.

4) *In furtherance to the object set out above but not otherwise the Trust may do all or any of the following:*

- a. *Buy, lease or otherwise acquire buildings or land or any estate or interest therein.*
- b. *Sell, let on lease or tenancy, exchange, mortgage or otherwise dispose of buildings or land or any interest therein subject to such covenants, conditions and restrictions as are reasonably necessary to ensure the preservation of the buildings or land. (Page 1)*

Provided that:

4(iii) In case the Trust shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales, the Trust shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law, and, as regards any such property, the Governing Body of the Trust shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would have been as such a Governing Body if no incorporation had been effected, and the incorporation of the Trust shall not diminish or impair any control or authority exercisable by the Chancery Division or the Charity Commissioners over such Governing Body but they shall as regards any such property, be subject jointly and separately to such control or authority as if the Trust were not incorporated.

4(iv) The Trust shall have regard at all times to the need to secure, improve or control public access to all buildings preserved by the Trust but not necessarily to the interior of such buildings of which only the exterior is of particular beauty or historical, architectural or constructional interest. (Page 2)

2.10 Application of RCT Governing Documents

CC3 says that trustees must follow Governing Documents - and Item 4(iii) means that despite the charity being incorporated trustees are fully liable for their decisions and there was still a requirement for trustees to follow charity law,

The sale of the listed buildings, land and a Scheduled Monument (to a private property company) with no covenants regarding future development or public access was in contravention of Sections 4(iv) and 4b of the Memorandum of Association.

3. CHARITY COMMISSION GUIDANCE

3.1 Financial management

CC12 Item 1.3 states:

Insolvency is a complex matter and the Commission strongly recommends that professional advice is taken as soon as the trustees are aware that the charity is facing an insolvency situation.

3.2 Application of CC12

The records show no reference to Charity Commission guidance CC12 during the lead-up to the 2015 disposal, nor the involvement of the charity's independent financial examiner. No records were found of financial tests (CC12 page 9) or rescue mechanisms (page 14).

RCT's financial problem - that of increasing debt - had continued from the outset. By 2014 the financial problems appeared insurmountable with no perception of how to deal with the debts.

This situation was complicated by the Chair previously reporting that this charity was '*operating at a surplus*' since 2009 and having a healthy operating business. Whilst this seemed to have been stated to engender positivity moving forward, dressing up the reality in financial jargon appears to have led to complacency. For example, after the Default Notice from the agents of the AHF was received on 9th July 2014, no evidence was found of professional advice having been sought.

From the earliest warnings in 2013 that the AHF's patience (with the escalating debt) was at an end, only one policy was pursued; that of direct re-financing. The RCT Treasurer had already indicated to the 2013 AGM that the likely maximum for obtainable borrowings was £240,000, as opposed to a minimum financing requirement of £330,000. At the 2014 AGM the Treasurer went further saying that only £160/170,000 would have been available.

No suggestion of alternative options has been found despite the probability that re-financing would not be achieved. Possible alternatives could have been prepared for or even started during the previous twelve months. As a result the Trust found itself in the position of having a 'take it or insolvency' decision to make when the first offer from EP Ltd was put on the table.

3.3 Protecting the charity's reputation

The Charity Commission gives clear guidance about what trustees need to do in order to protect their charity's reputation (Charity Commission 2013):

'Good decision making in charities boils down to four main factors:

- *Legal powers – making sure you have the power to take your charity in a certain direction.*
- *Information - making sure you have the right information and enough information, including good expert advice where relevant and evidence of the long term implications of the decision; also weighing up the information to make sure your decision is based only on considerations that are relevant to the charity.*
- *Motivation - making sure you are motivated only by the charity's best interests, not the interests of any other organisation or individual.*
- *Reasonableness – satisfying yourself that your decision is within the range of decisions that a reasonable trustee body might have made in the circumstances.*

The Charity Commission assesses whether trustees have fulfilled their duties in the way they make decisions:

- *Did they make sure they had the power to make the decision?*
- *Did they make sure the decision was in line with the charity's objects?*
- *Did they consider the long-term implications of their decision?*
- *Did they take into account all relevant information, including by seeking professional advice?*
- *Did they make sure not to take irrelevant factors into account?*
- *Did they manage any potential conflicts of interest?*
- *How did they satisfy themselves that the decision was within the range of decisions that a reasonable trustee body could make in the circumstances?'*

3.4 Application of Charity Commission guidance

No records were found of former trustees attempting to fulfil the above requirements, nor of their discussing the long term implications of their decisions. It is not clear how the former trustees' decisions were within a range of decisions that a reasonable trustee body could make in the circumstances.

Serious reputational damage has been caused to this charity by the negative publicity generated by the disposal and the flawed nature of the process. The task of rebuilding this charity's reputation is challenging and will not be achieved quickly or easily. This task is further complicated by the large amount of time and effort required by current trustees to deal with legacy issues resulting from the 2015 disposal.

3.5 Alternative solutions

No evidence was found of documented discussions with AHF regarding ownership of assets in the event of foreclosure. The purpose of AHF is highly compatible with that of RCT:

'The AHF is a registered charity, working since 1976 to promote the conservation and sustainable re-use of historic buildings for the benefit of

communities across the UK, particularly in economically disadvantaged areas. (AHF 2017)

Had AHF foreclosed, and become the owner of land and buildings at Maker Heights, it is possible that assets could well have ended up being owned by another charity with similar purpose (charities such as the National Trust, Landmark Trust, English Heritage Trust and Cornish Buildings Preservation Trust, for example).

The evidence that has been found points to the only 'policy' pursued being unachievable. The Treasurer confirmed at the AGM in September 2013 that the maximum likely loan availability was £240,000. It was a clearly an identifiable risk that a suitable loan offer in excess of £300,000 would not be received, and yet no preparation was made for this possible outcome.

No evidence was found of the trustees fully reasoning through possible alternative solutions. The alternative offers that had been received (at least one from a connected party) might have left the trustees within their achievable loan capacity.

3.6 Due diligence

The records do not indicate trustees carried out any due diligence on the prospective buyer - actually only having the buyer's identity revealed to them after they had voted that they were '*mindful to say yes*' to the initial proposal. Some early straightforward research by the trustees may well have indicated a careful approach to the deal was required. Subsequently, many claims and promises made by the buyer, and their representatives, have remained unfulfilled.

3.7 Professional advice

Places such as Maker Heights are rare and, with so much capital at stake, the proposed disposal could have been viewed in 2014/15 as an opportunity to involve expert bodies in an effective risk-benefit analysis that took into consideration the charity's activities, beneficiaries, property and reputation.

There was a failure to consult with public bodies with expertise in natural and historic capital - Natural England and Historic England - who would have enabled risk/benefit analyses of the disposal. Had these, and other, consultations be sought then the disposal may have progressed in a more beneficial manner. At the very least, covenants to preserve heritage assets and protect public interest would probably have been incorporated into the sale document by trustees.

The records indicate there was a failure during 2014 and 2015 to recognise all forms of heritage value - all of which are non-renewable - because the trustees were apparently focused only on financial considerations. Consequently, no projections were made of costs and potential losses, either to RCT or to the natural and human-made environment, arising from the disposal.

No evidence was found of professional marketing advice having being sought, the correct valuation survey was not obtained, and no back-up package of sale was

prepared. Only in November 2014 after the offer changed significantly, were references made that the Charity Commission should be consulted and some professional advice sought.

Overall there was a lack of professional advice, publicity, risk analysis, and planning, and Charity Commission guidelines were not met.

3.8 Covenants

No effective covenants were put into the sale documents to protect land and buildings, or to safeguard public benefit. After the then current set of proposals were publicised to the membership at the AGM in November 2014, further changes were made by the buyer, including the removal of protective covenants that were to be put in place to keep the land sold in line with the Trust's charitable ethos. The Trust's legally qualified trustee commented:

'This is a very serious U-turn on their part, as it is the most important safeguard that we drafted and proposed in our revised Heads of Terms during our meeting with XXXXX, YYYYY and the lawyers. They both agreed to this at the meeting and consequently, acting in good faith, we passed it on this assurance to our membership at the AGM, where it was explained at some length. In the circumstances, it is disingenuous of ZZZZZ, who was present at both meetings, to claim that the inclusion of our principles is a unilateral change, when it was clearly agreed throughout.

I am also surprised if TTTTT thinks this 'looks manageable', as effectively it does away with what we have been striving for. Moreover, if we agree to this U-turn, it will mean that we have badly misled both our membership and the local community. Personally, therefore, I cannot agree to it, and if it is pushed through nevertheless and perhaps accepted by a majority decision, it will likely lead to resignations by a number of the trustees, along with other serious consequences.'

The deal went ahead without protective covenants.

3.9 Consultation with beneficiaries

Initial reaction to the deal was mainly supportive from beneficiaries. The trustees continued to publicly present to the tenants and members a positive view of the deal - based on verbal assurances received, rather than paperwork being presented to them by the buyer's solicitors.

One of the original concerns upon which the RCT was founded in 1997 was to prevent private property encroachment at Maker Heights and preserve the site for beneficiaries. The circumstances after the sale document was signed found the trustees advocating a housing development.

From the outset the trustees could have communicated more openly with the membership and beneficiaries. Rather, they chose the opposite course of action - even proposing to disenfranchise the members (see Appendix 2 – Timeline – 23rd October 2014)

From the records, objectivity and duty of care do not appear to have been the driving influences behind decision-making - rather, strong personalities appear to have had a significant influence.

3.10 Intentions of trustees

In April 2016, the former trustees voted to offer this charity's last remaining freehold asset, the Barrack Building, to EP Ltd on an option for £1 without following good practice or the charity law noted above. If this deal had been completed, it would have resulted in a direct financial loss to the RCT of £350,000 (see Appendix 4 Valuation Report). This would clearly not have been in the interests of this charity or its beneficiaries.

4. CONCLUSIONS

4.1 Was the decision by former trustees to dispose of charity assets reasonable?

Financial difficulties existed for this charity from the outset and by 2014, at the very latest, they needed to be openly and honestly addressed. The records, however, do not show any reasoning by former trustees as regards the principle of selling charity assets, nor any informed decision making. A reasonable body of trustees could have agreed a sale in principle, made sale plans, prepared a marketing package and advertised the sale - all in an open and professional manner. Trustees could then have engaged with a wide range of charities, not-for-profit organisations and professional advisers - in order to act in the best interests of this charity.

Such an approach needed to have been started earlier than 2014 and, at the very latest, when communication was received from AHF regarding foreclosure. A reasonable body of trustees would have addressed the principle of selling charity assets, and made plans and preparations - all whilst there was time to do so. These actions did not occur, and the downstream consequences of this lack of duty of care lead to a disposal that did not meet legal requirements and put at risk the activities, property and reputation of this charity.

Lack of reasoning, planning and preparation meant that by 2014/2015 the trustees thought they had no choice but to be rushed along the route of disposal to EP Ltd. Records contain few references to reasons for decisions; rather, they indicate that the negotiations were not carried out in a careful and skilful manner. Consequently, the process for disposal was flawed and legal requirements were not met.

Throughout the process of disposal there were failures to consider the legal requirements of the Charities Act 2011, the legal requirements in CC guidance (*'trustees must ...'*) and the requirements for good practice detailed in CC guidance (*'trustees should ...'*). We conclude that in the circumstances and time available, the trustees could have applied more care and skill to the disposal - and more consideration for the best interests of this charity and its beneficiaries.

Overall, the flawed nature of the disposal appears to result from a lack of governance, and failure to apply good practice and professional skills prior to and during the disposal process. Given all the evidence we have been able to assess we do not believe the decisions made through this process were reasonable.

4.2 Looking forward

The current Board of Trustees will apply integrity and all necessary professionalism to ensure, as far as possible, this type of decision-making does not re-occur.

Should 'benefits' appear to accrue to former trustees and/or connected persons, it may be that vested interest was a motivating factor in the disposal - in which case the Board will seek the advice of the Charity Commission accordingly.

4.3 Has there been any loss to the charity from not meeting the legal requirements when disposing of charity assets?

The outcomes of the 2015 deal have created a complex situation that has benefits, losses and the potential for further costs to RCT.

4.3.1 Financial loss

The current Trustees have used independent parallel routes to examine the financial outcome from the sale. In May 2017 the trustees commissioned an independent valuation of the disposed assets that complied with the Charities Act 2011. This report, prepared by Vickery Holman Property Consultants, (Appendix 4) states:

'12.0 VALUATION

12.1 We are of the opinion that the Open Market Value of the Freehold interest of the property sold in June 2015 was a figure in the order of: £350,000 (Three Hundred and Fifty Thousand Pounds)' (page 18).

The trustees also asked Mr C J Day (FCMA) - now RCT Treasurer - to carry out a financial analysis of the 2015 disposal (Appendix 5). It states:

'In summary it appears the financial result of the property sale for the Rame Conservation Trust was beneficial but the process for the disposition of the property was certainly flawed.'

The disposition resulted in two positive outcomes for RCT:

1. Clearance of debts, and
2. A 'profit' (based on the valuation reports) when the deferred consideration (£150,000 over ten years) is paid in full.

This charity has had one-off costs such as solicitor's bills, valuation report and fencing. At this point in time there has been no direct financial loss to the charity as a result of the 2015 deal.

4.3.2 Non-financial losses

There are costs to RCT that must also be considered, including losses to activities, property, beneficiaries, and reputation. These are exemplified by the failure on the part of former trustees to place covenants protecting land and public benefit into the 2015 sale agreement. In addition, the sale agreement includes terms that are potentially detrimental to the activities of this charity; in and around the Barrack Building, for example.

The current Board is also very concerned by the failure to demonstrate parity to creditors during the process of removing debts. The failures by former trustees to follow Charity Commission guidelines, communicate openly and honestly, and to

demonstrate integrity and trustworthiness, resulted in negative publicity and serious reputational losses for this charity.

4.4 Looking forward

The current trustees are committed to reforming the culture of the Board and rebuilding the reputation of this charity.

Losses to this charity resulting from the 2015 disposal may occur at any time in the future - they are not time-limited. Potential for future costs and losses to RCT arise from the presence at Maker Heights of a landowner with a different ethos and set of values to this charity. However, we believe the unique nature of Maker Heights means that it is wholly unsuited to exploitation.

The current trustees will encourage all parties with interests in Maker Heights to ensure that heritage assets, heritage value and public benefit are not negatively impacted by the outcomes of the 2015 disposal of charity assets. The current trustees will also encourage all parties to work together to ensure heritage capital and public benefit are safeguarded and enhanced in the future.

Maker Heights and its surrounds are rich in heritage assets and highly valued by local communities and national bodies. It is a special place with potential for the charitable ethos to create many benefits for the public. The trustees will work to ensure that public benefit is maximised through long term investment and commitment to the preservation of heritage assets at Maker Heights.

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The Architectural Heritage Fund (2017). Available at: <http://ahfund.org.uk/>

APPENDICES

APPENDIX 1: Rame Conservation Trust Governing Documents

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY GUARANTEE

MEMORANDUM OF ASSOCIATION OF

RAME CONSERVATION TRUST.

1. The name of the Company ("the Trust") is
RAME CONSERVATION TRUST
2. The Registered Office of the Trust will be situated in
ENGLAND AND WALES.
3. The object for which the Trust is established is to preserve for the benefit of the townspeople of the Borough (or District) of
RAME
in the County of CORNWALL and of the nation at large, whatever of the historical, architectural and constructional heritage may exist in and around the Borough (or District) of
RAME
foresaid in the form of buildings (including any building as defined in Section 336(1) of the Town and Country Planning Act 1990) of particular beauty or historical, architectural or constructional interest.
4. In furtherance of the object set out above but not otherwise the Trust may do all or any of the following things:
- Buy, lease, or otherwise acquire buildings or land or any estate or interest therein.
 - Sell, let on lease or tenancy, exchange, mortgage or otherwise dispose of buildings or land or any interest therein subject to such covenants, conditions and restrictions as are reasonably necessary to ensure the preservation of the buildings or land.
 - Repair, renovate, restore, rebuild and generally promote the preservation of any buildings or land.

- Buy or otherwise acquire plant and machinery (including but not limited to computer hardware and software), furniture and other equipment for use in connection with any such buildings or land; and sell, lease or otherwise dispose of any such plant and machinery, furniture or other equipment.
- Make such arrangements as are necessary to enable the public to view and enjoy any buildings (whether free or at a charge).
- By publishing books or pamphlets or in other appropriate manner, make known to the public the existence of buildings of particular beauty or historical, architectural or constructional interest or the features of especial interest of such buildings.
- Undertake or support research into the means of preserving old buildings.
- Raise funds by subscriptions, donations, grants, loans or otherwise for the purposes of the Trust; invite and accept gifts of all sorts and whether inter vivos or by will and whether or not subject to conditions; carry out any condition imposed on any gift which may be accepted.
- Constitute special charitable trusts for any particular purposes of the Trust; act as trustee of any such special trust, whether constituted by the Trust or otherwise.
- Enter into and carry out contracts.
- Employ and remunerate staff; employ and remunerate agents; and make all reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of employees and their widows and other dependants.
- Borrow money for the purposes of the Trust on such terms and on such security (if any) as may be thought fit.
- Invest the moneys of the Trust not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter mentioned.
- Make planning applications, applications for consent under bye-laws or building regulations and other like applications.
- Draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments and operate bank or building society accounts in the name of the Trust.

- (p) Establish and support or aid in the establishment and support of any charitable associations or institutions and subscribe or guarantee money for charitable purposes in any way connected with the purposes of the Trust or calculated to further its objects.
- (q) Co-operate with any local or public authority or other body concerned to achieve the object of the Trust.
- (r) Generally, do any things necessary for the attainment of the Trust's object.

Provided that:

- (i) In case the Trust shall take or hold any property which may be subject to any trusts, the Trust shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.
- (ii) The object of the Trust shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.
- (iii) In case the Trust shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales, the Trust shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law, and, as regards any such property, the Governing Body of the Trust shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would have been as such Governing Body if no incorporation had been effected, and the incorporation of the Trust shall not diminish or impair any control or authority exercisable by the Chancery Division or the Charity Commissioners over such Governing Body but they shall, as regards any such property, be subject jointly and separately to such control or authority as if the Trust were not incorporated.
- (iv) The Trust shall have regard at all times to the need to secure, improve or control public access to all buildings preserved by the Trust but not necessarily to the interior of such buildings of which only the exterior is of particular beauty or historical, architectural or constructional interest.

5. The income and property of the Trust whencesoever derived shall be applied solely towards the promotion of the object of the Trust as set forth in this Memorandum of Association, and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the Members of the Trust.

Provided that nothing herein shall prevent the payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Trust or to any Member of the Trust in return for any services actually rendered to the Trust, nor prevent the payment of interest at a rate per annum not exceeding 2% less than the base lending rate prescribed for the time being by a clearing bank selected by the Governing Body, or at 3% per annum (whichever is the greater) on money lent, or of reasonable and proper rent for premises demised or let by any Member to the Trust; but so that no Member of the Governing Body shall be appointed to an salaried office of the Trust or any office of the Trust paid by fees, and that no remuneration or other benefit in money or money's worth shall be given by the Trust to any Member of the Governing Body except:-

- (i) Repayment of out-of-pocket expenses and interest at the rate aforesaid on money lent or reasonable and proper rent for premises demised or let to the Trust.
- (ii) Payment in good faith to any Member of the Governing Body being a person engaged in any profession, of all usual professional or other charges for business done and all time spent by him or his firm on behalf of the Trust when instructed by his co-members so to act in that capacity provided that such Member is absent from all meetings of the Trust during discussion of matters relevant to his remuneration for such business and does not vote on any resolutions concerning this remuneration and is not counted for the purpose of ascertaining whether or not the quorum is present at any meeting considering such a resolution.
- (iii) Payment of fees, remuneration or other benefit in money or money's worth to a company of which a Member of the Governing Body may be a member, and in which such Member shall not hold more than one hundredth part of the capital.
- (iv) Any premium in respect of indemnity insurance to cover the liability of the Members of the Governing Body of the Trust (or any of them) which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Trust. Provided that any such insurance shall not extend to a claim arising from any act or omission which the Members of the Governing Body (or any of them) knew was a breach of duty or a breach of trust or which was committed by the Members of the Governing Body (or any of them) in reckless disregard of whether it was a breach of duty or breach of trust or not.

6. The liability of the Members is limited.

7. Every Member of the Trust undertakes to contribute to the assets of the Trust, in the event of the same being wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the debts and liabilities of the Trust contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.

8. If upon the winding up or dissolution of the Trust there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members of the Trust but shall be given or transferred to some other charitable institution or institutions having objects which are similar to the objects of the Trust and which shall prohibit the distribution of its or their income and property among its or their Members to an extent at least as great as is imposed on the Trust under or by virtue of Clause 5 hereof, such institution or institutions to be determined by the Members of the Trust at or before the time of dissolution, and if and in so far as effect cannot be given to such provision, then to some other charitable object.

9. True accounts shall be kept of the sums of money received and expended by the Trust and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of property and goods by the Trust and of the property, credits and liabilities of the Trust, and subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Trust for the time being, such accounts shall be open to the inspection of the Members. Once at least in every year the accounts of the Trust shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.

SUBSCRIBERS NAMES AND ADDRESSES

Firstly Derek John Amphlett

of Penvenon Millbrook, Cornwall

[Signature]

Secondly Pippin Ivan Parsons

of 1 Elm Park, Southdown, Mableton

Cornwall *[Signature]*

Thirdly John Andrew Poffe

of Cornwall Post Office

[Signature]

Dated this 3 day of September 1992

Witness to the above signatures

[Signature] ROBERT WOFFE

DODBROOK HOUSE, MILLBROOK,
TORPOINT, CORNWALL PL

THE COMPANIES ACTS 1985 AND 1989

Subject as aforesaid, any words or expressions defined in the Act or any statutory modification thereof in force at the date on which these presents become binding on the Trust shall, if not inconsistent with the subject or context, bear the same meanings in these presents.

COMPANY LIMITED BY GUARANTEE

2. The Trust is established for the object declared in the Memorandum of Association.

ARTICLES OF ASSOCIATION OF
RAME CONSERVATION TRUST

MEMBERS

3. The number of Members with which the Trust proposes to be registered is unlimited.

GENERAL

1. In these presents the words standing in the first column of the Table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:

4. The provisions of Sections 191(7), 352 and 353 of the Act shall be observed by the Trust, and every Member of the Trust shall either sign a written consent to become a Member or sign the Register of Members on becoming a Member.

WORDS	MEANINGS
The Act	The Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.
These Presents	These Articles of Association and the regulations of

5. The following persons and none others shall be Members of the Trust:

- (A) Such persons as subscribe to the Memorandum and Articles of Association before the registration thereof.
- (B) Such other persons or corporations as may desire to be admitted to membership and who may be elected by the Governing Body to be Members of the Trust.

RAME CONSERVATION TRUST

In these presents the expression "Corporation" shall be deemed to include any body corporate, any county, borough, city, local or other public authority and any unincorporated association whom the Governing Body may elect to membership.

from time to time in force.

The Trust	The above named
	RAME CONSERVATION TRUST

6. Any election of a person to be a Member of the Trust under the provisions of Article 5 Sub-Article (B) shall conform to the following regulations and conditions:

The Governing Body	The board of directors of the Trust.
The Office	The registered office of the Trust.
Seal	The Common Seal of the Trust.
Month	Calendar Month.

(1) Such person must be proposed for election by a Member of the Governing Body and fourteen days notice shall be given to the Members of the Governing Body of the meeting at which it is intended to propose such person for election, stating the object of the meeting, the name and address of the person to be proposed and the name of the Member of the Governing Body proposing such person.

In writing	Written, printed, photographed or lithographed, or partly one and partly another, and other modes of representing or reproducing words in a visible form. And words importing the singular number only shall include the plural number, and vice versa. Words importing the masculine gender only shall include the feminine gender, and Words importing persons shall include corporations.
------------	--

(2) Such person must sign and deliver to the Trust an application for admission to membership framed in such terms as the Governing Body shall require.

In the event of such person being elected in accordance with the above regulations he shall be entered as a Member of the Trust on the Register.

7. No Member of the Governing Body shall supply or be directly or indirectly interested (other than as a shareholder in a company in which the Member shall hold not more than one-hundredth part of the capital or as an official of a Bank at which the Trust's funds are deposited) in the supply of work or goods to the Trust except by way of free gift or on a basis which shows no profit or gain directly or indirectly to the Member concerned.

8. Any Member may terminate his membership of the Trust by notice in writing served on the Trust and thereupon he shall be deemed to have resigned and his name shall be removed from the Register of Members.

9. If any Member shall fail in the observance of these Articles or of any regulations of the Governing Body made under any powers vested in them or for other sufficient reason the Governing Body may convene an Extraordinary General Meeting of the Trust for the purpose of considering an extraordinary resolution for the expulsion of such Member and on such extraordinary resolution being passed the name of such Member shall be removed from the Register of Members, and he shall thereupon cease to be a Member.

GENERAL MEETINGS

10. A general meeting of the Trust shall be held in every calendar year as its Annual General Meeting at such time (not being more than fifteen months after the holding of the last preceding General Meeting) and place as the Governing Body shall appoint provided that so long as the Trust shall hold its first Annual General Meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year.

11. All General Meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings.

12. The Governing Body may, when they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall be convened on such requisition or, in default, may be convened by such requisitionists, as provided by Section 368 of the Act.

13. Subject to the provisions of Section 378(2) and (3) of the Act relating to Special Resolutions, and to the provisions of Section 369 of the Act relating to Annual General Meetings, fourteen days' notice at the least (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) specifying the place, the day and the hour of meeting, and in case of special business the general nature of such business, shall be given to the Members in manner hereinafter mentioned, or in such other manner (if any) as may be prescribed by the Trust in General Meeting; but with the consent of all the Members entitled to receive notices thereof or of such proportion thereof as is prescribed by the Act in the case of meetings other than

Annual General Meetings, a meeting may be convened by such notice as those Members think fit. The accidental omission to give notice to any Member, or the non-receipt by any Member of such notice, shall not invalidate the proceedings at any General Meeting.

PROCEEDINGS AT GENERAL MEETINGS

14. The business of an Annual General Meeting shall be to receive and consider the accounts and balance sheets and the reports of the Governing Body and Auditors, to elect Members of the Governing Body in place of those retiring and also additional Members of the Governing Body, and to elect Auditors and fix their remuneration. All other business transacted at an Annual General Meeting shall be deemed special.

15. No business shall be transacted at any General Meeting except the adjournment of the meeting, unless a quorum of Members is present at the time when the meeting proceeds business, and such quorum shall consist of not less than

3 Members personally present, or 10% of THE MEMBERS

16. If within 30 MINUTES from the time appointed for the meeting a quorum be not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, and at such adjourned meeting a quorum be not present within

30 MINUTES from the time appointed for the meeting, the Member or Members present shall be deemed to be a quorum and may do all business which a full quorum might have done.

17. The Chairman (if any) of the Governing Body, or in his absence the Vice-Chairman (if any) shall preside as Chairman at every General Meeting of the Trust. If there be no such Chairman, or if at any meeting he be not present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of the Members of the Governing Body present to be Chairman, or if no Member of the Governing Body be present and willing to take the Chair, the Members present shall choose one of their number to be Chairman.

18. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for twenty-one days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

19. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or upon the declaration of the result of the show of

hands, demanded by the Chairman or by at least ^{Two} Members present in person or by proxy, or by a Member or Members present in person or by proxy and representing one-tenth of the total voting rights of all the Members having the right to vote at the meeting, and unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the Minute Book of the Trust, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution. The demand for a poll may be withdrawn.

20. Subject to the provisions of the next succeeding Article, if a poll be demanded in manner aforesaid it shall be taken at such time and place and in such manner as the Chairman of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

21. No poll shall be demanded on the election of a Chairman of a meeting or on any question of adjournment.

22. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.

23. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business in addition to the question on which a poll shall have been demanded.

VOTES OF MEMBERS

24. Every Member shall have one vote.

25. (A) Save as herein expressly provided, no person other than a Member duly registered shall be entitled to be present or to vote on any question, either personally or by proxy or as proxy for another Member at any General Meeting.

(B) Any corporation which is a Member of the Trust may by resolution of its Governing Body authorise such person as it thinks fit to act as its representative at any meeting of the Trust and the person so authorised shall be entitled to exercise the same voting powers on behalf of the corporation he represents as that corporation could have exercised if it were a personal Member of the Trust. A corporation represented at a meeting by its authorised representative shall be deemed for all purposes to be present in person. A copy of the resolution appointing its representative which shall be

certified as a correct copy by the Chairman or another recognised officer of the governing body of a corporation, shall be conclusive evidence of such appointment.

26. Votes may be given on a poll either personally or by proxy. On a show of hands a Member present only by proxy shall have no vote, but the representative of a corporation may vote on a show of hands. A corporation may vote by its duly authorised representative appointed as provided by Article 25(B) or Section 375 of the Act. A proxy need not be a Member.

27. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing.

28. The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof shall be deposited at the office or at such other place within the United Kingdom as is specified for the purpose in the notice convening the meeting at least forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, otherwise the instrument or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

29. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy, provided that no intimation in writing of the death or revocation shall have been received at the office or other place as aforesaid one hour at least before the time fixed for holding the meeting.

30. Any instrument appointing a proxy shall be in the following form, or as near thereto as circumstances will admit:

"I
of
a Member of
(hereinafter called "the Trust") and entitled to one vote
hereby appoint
of
and failing him
of
to vote for me and on my behalf at the [Annual or
Extraordinary, as the case may be] General Meeting of
the Trust to be held on the day of 19.....
and at any adjournment therefore.
As Witness my hand this day of 19.....

GOVERNING BODY

31. The affairs of the Trust shall be managed by the Governing Body. The number of the Members of the

Governing Body shall not be less than 5 nor more than 15.

32. (A) The first Members of the Governing Body shall be the Subscribers to the Memorandum of Association.

(B) Future Members of the Governing Body shall be such other persons (being Members of the Trust) as shall from time to time be elected by the Governing Body or by the Members of the Trust in General meeting as provided subsequently in these presents.

Provided that no person who is employed by the Trust and receiving any salary, fees, remuneration or other benefit in money or money's worth from the Trust (save as permitted by clause 5 of the Memorandum of Association) shall be eligible for membership of the Governing Body.

PROCEEDINGS OF THE GOVERNING BODY

33. The Governing Body may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the

transaction of business. Unless otherwise determined 3 shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote.

34. A Member of the Governing Body may, and on the request of a Member of the Governing Body the Secretary shall at any time, summon a meeting of the Governing Body by notice served upon the several Members of the Governing Body. A Member of the Governing Body who is absent from the United Kingdom and who has no registered address in the United Kingdom shall not be entitled to notice of a meeting.

35. The Governing Body shall from time to time elect a Chairman who shall be entitled to preside at all meetings of the Governing Body at which he shall be present, and may determine for what period he is to hold office, but if no such Chairman be elected or if at any meeting the Chairman be not present within fifteen minutes after the time appointed for holding the meeting and willing to preside, the Members of the Governing Body shall choose one of their number to be Chairman of the meeting.

36. A meeting of the Governing Body at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under the regulations of the Trust for the time being vested in the Governing Body generally.

37. The Governing Body may delegate any of their powers to committees consisting of such Member or Members of the Governing Body as they think fit, and any committee so framed shall in the execution of the powers so delegated conform to any regulations imposed on it by the Governing Body. The meetings and proceedings of any such committee shall be governed by the provisions of these presents for regulating the meetings and proceedings of the Governing Body so far as applicable and so far as the same shall not be superseded by any regulations made by the Governing Body as aforesaid. All acts and proceedings of any such committee or committees shall be reported back as soon as possible to the Governing Body.

38. All acts bona fide done by any meeting of the Governing Body or of any committee of the Governing Body, or by any person acting as a Member of the Governing Body shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such Member or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every person had been duly appointed or had duly continued in office and was qualified to be a Member of the Governing Body.

39. The Governing Body shall cause proper minutes to be made of all appointments of officers made by the Governing Body and of the proceedings of all meetings of the Trust and of the Governing Body and of committees of the Governing Body, and all business transacted at such meetings, and any such minutes of any meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.

40. A resolution in writing signed by all the Members for the time being of the Governing Body or of any committee of the Governing Body who are duly entitled to receive notice of a meeting of the Governing Body or of such committee shall be as valid and effectual as if it had been passed at a meeting of the Governing Body or of such committee duly convened and constituted.

POWERS OF THE GOVERNING BODY

41. The management of the business and the control of the Trust shall be vested in the Governing Body, who, in addition to the powers and authorities conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Trust and are not hereby or by the Act expressly directed or required to be exercised or done by the Trust in General Meeting. At meetings of the Governing Body, each Member of the Governing Body shall have one vote only, except that in the case of equality of votes the Chairman shall in addition have a second or casting vote.

42. The Members for the time being of the Governing Body may act notwithstanding any vacancy in their body, provided always that if at any time the Members of the Governing Body be reduced in number below the minimum prescribed by these presents, it shall be lawful for the Members available to act as the Governing Body for the purpose of admitting persons to membership of the Trust, filling up vacancies in their body or of summoning a General Meeting but for no other purpose.

43. The Governing Body may at any time appoint any person to be a Member of the Governing Body either to fill a casual vacancy or as an addition to the existing membership (but not so as to exceed the maximum number of Members prescribed by these presents). Any person so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Members of the Governing Body who are to retire by rotation at such meeting.

PARTICULAR POWERS

44. Without prejudice to the general powers conferred by Article 41 and to the other powers and authorities conferred as aforesaid, it is hereby expressly declared that the Governing Body shall be entrusted with the following powers, namely:

- (1) To pay the costs, charges and expenses preliminary and incidental to the formation and establishment of the Trust and matters incidental thereto.
- (2) To purchase or otherwise acquire for the Trust any property, rights or privileges which the Trust is authorised to acquire at such price and generally on such terms and conditions as they may think fit.
- (3) To raise or borrow money for the purposes of the Trust from any person, corporation or other body and, with the approval of the Charity Commissioners for England and Wales, to secure the repayment of the same together with any interest and premium thereon, by mortgage or charge upon the whole or any part of the assets and property of the Trust, present or future, and to issue bonds, debentures, or debenture stock, either charged

upon the whole or any part of the assets and property of the Trust or not so charged, and in connection therewith to take out and maintain sinking fund or redemption policies.

- (4) At their discretion to pay for any property or rights acquired by or services rendered to the Trust either wholly or partially in cash or in bonds, debentures, or other securities of the Trust.
- (5) With the approval aforesaid to secure the fulfilment of any contracts or engagements entered into by the Trust by mortgage or charge of all or any of the property and rights of the Trust or in such manner as they may think fit.
- (6) To appoint and at their discretion remove or suspend such officers and other staff for permanent, temporary or special services as they may from time to time think fit, and to invest them with such powers as they may think expedient, and to determine their duties and fix their salaries or emoluments, and to require security in such instances and to such amounts as they think fit.
- (7) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Trust or its officers or otherwise concerning the affairs of the Trust and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Trust.
- (8) To refer any claims or demands by or against the Trust to arbitration and observe and perform the awards.
- (9) To make and give receipts, releases and other discharges for money payable to the Trust and for the claims and demands of the Trust.
- (10) To determine who shall be entitled to sign on the Trust behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents.
- (11) From time to time to make all such regulations and bye-laws as they think proper with regard to the affairs and concerns of the Trust, and from time to time to repeal and alter the same or make others in lieu thereof as may seem expedient. Provided that the same do not contravene any of the provisions herein contained, and provided that no bye-laws or regulations shall be made under this power which would amount to such an addition to or modification of the Articles of Association as could only legally be made by a Special Resolution passed in accordance with the provisions of Section 378 of the Act.

(12) To pay any premium in respect of indemnity insurance to cover the liability of the Members of the Governing Body of the Trust (or any of them) which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Members of the Governing Body (or any of them) knew was a breach of duty or a breach of trust or which was committed by the Members of the Governing Body (or any of them) in reckless disregard of whether it was a breach of duty or breach of trust or not.

ROTATION OF MEMBERS OF THE GOVERNING BODY

45. At the first Annual General Meeting of the Trust all the Members of the Governing Body shall retire from office, and at the Annual General Meeting in every subsequent year one-third of the Members of the Governing Body for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.

46. The Members of the Governing Body to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Members on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

47. A retiring Member of the Governing Body shall be eligible for re-election.

48. The Trust may, at the meeting at which a Member of the Governing Body retires in manner aforesaid, fill the vacancy by electing a person thereto, and in default the retiring Member shall, if offering himself for re-election, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacancy or unless a resolution for the re-election of such Member shall have been put to the meeting and lost.

49. No person other than a Member of the Governing Body retiring at the meeting shall, unless recommended by the Governing Body, be eligible for election to membership of the Governing Body at any general meeting unless, not less

than 14 nor more than 60 days before the date appointed for the meeting, there shall have been left at the registered office of the Company notice in writing, signed by a Member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

50. The Trust may from time to time by ordinary resolution increase or reduce the number of Members of the Governing Body, and may also determine in what rotation the increased or reduced number is to go out of office.

51. The Trust may by ordinary resolution, of which special notice has been given in accordance with section 379 of the Act, remove any Member of the Governing Body before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Trust and such Member.

52. The Trust may by ordinary resolution appoint another person in place of a Member of the Governing Body removed from office under the immediately preceding Article. Without prejudice to the powers of the Governing Body under Article 44 the Trust in General Meeting may appoint any person to be a Member of the Governing Body either to fill a casual vacancy or as an additional Member. The person appointed to fill such a vacancy shall be subject to retirement at the same time as if he had become a Member of the Governing Body on the day on which the Member in whose place he is appointed was last elected as a Member.

DISQUALIFICATION OF MEMBERS OF THE GOVERNING BODY

53. The office of a Member of the Governing Body shall be vacated:

- (A) If he becomes bankrupt or insolvent or compounds with his creditors.
- (B) If he becomes of unsound mind.
- (C) If he be convicted of an offence the commission of which by a Member of the Governing Body could bring the Trust into disrepute.
- (D) If he is requested in writing by a majority of his fellow Members of the Governing Body to resign.
- (E) If he gives to the Governing Body one month's notice in writing to the effect that he resigns his office.
- (F) If he becomes prohibited from being a Director by reason of any order made under the Company Directors Disqualification Act 1986.
- (G) If he ceases to be a Director by virtue of any provision in the Act or is disqualified from acting as a trustee by virtue of section 72 of the Charities Act 1992 (or any statutory re-enactment or modification of that provision).
- (H) If he becomes incapable by reason of mental disorder, illness or injury of managing and administering his own affairs.
- (I) If he resigns his office by notice to the Trust (but only if at least two Members of the Governing Body will remain in office when the notice of resignation is to take effect).
- (J) If he is absent without the permission of the Members of the Governing Body from all their meetings held within a period of six months and the Members of the Governing Body resolve that his office be vacated.

54. A Member of the Governing Body who is in any way, whether directly or indirectly, interested in a contract or proposed contract, arrangement, or dealing with the Trust, shall declare the nature of his interest at a meeting of the Governing Body, and subject thereto and subject to the right of the remaining Members of the Governing Body to resolve that he withdraw and not vote on the particular matter, he may be counted in the quorum present at any meeting of the Governing Body where at such contract, arrangement or dealing with the Trust is considered or entered into and may vote in respect thereof.

SECRETARY

55. The Secretary shall be appointed by the Governing Body on such terms as to length of service, remuneration and generally as the Governing Body may think fit and the Governing Body may remove any Secretary so appointed. The provisions of sections 283(1)-(3) and 284 of the Act shall be observed. The Governing Body may from time to time appoint a deputy or assistant Secretary who may act in the place of the Secretary if there be no Secretary or no Secretary available to act or capable of acting.

MINUTES

56. The Governing Body shall keep minutes in books kept for the purpose:

- (1) Of all appointments of officers made by the Governing Body;
- and
- (2) If all proceedings at meetings of the Trust and of the Governing Body and of committees and sub-committees of the Governing Body including the names of those present at each such meeting.

THE SEAL

57. The seal of the Trust shall not be affixed to any instrument except by the express authority of a resolution of the Governing Body or of a committee of the Governing Body empowered thereto, and in the presence of two Members of the Governing Body and of the Secretary or such person other than the Secretary as the Governing Body may appoint for the purpose; and such Members of the Governing Body and the Secretary or other person as aforesaid shall sign every instrument to which the seal of the Trust is so affixed in their presence, and in favour of any purchaser or person bona fide dealing with the Trust such signatures shall be conclusive evidence of the fact that the seal has been properly affixed.

INCOME OF THE TRUST

58. The income of the Trust shall be applied solely towards the promotion of the object of the Trust as set forth in the Trust's Memorandum of Association as the Governing Body may from time to time think fit (and in particular the Governing Body shall have power to transfer all or any part of such income to trustees to be applied by them for the advancement of the object of the Trust in such manner as they shall think best) with power to the Governing Body to create a reserve fund or reserve funds to be applicable for any such purposes, and, if the Governing Body shall think fit, also to apply all or any part of the reserve fund appropriated to any particular purpose to any other one or more of such purposes, and, pending any such application, any reserve fund may at the discretion of the Governing Body either be employed in the business of the Trust or be invested from time to time in such investment as the Trust may think fit.

ACCOUNTS

59. The Governing Body shall cause accounting records to be kept in accordance with Part VII of the Act.

60. The books of account shall be kept at the office or, subject to Sections 222(1) and (2) of the Act, at such other place or places as the Governing Body may determine, and shall always be open to the inspection of the Governing Body. The Governing Body may from time to time by resolution determine whether and to what extent and at what times and places and on what conditions the books and accounts of the Trust or any of them shall be open to the inspection of the Members not being Members of the Governing Body, and the Members shall have only such rights of inspection as are given to them by the Act or by such Resolution as aforesaid.

61. At the Annual General Meeting in every year the Governing Body shall lay before the Trust an income and expenditure account for the period since the preceding account, or in the case of the first account since the incorporation of the Trust, made up to date not more than six months before such meeting. A balance sheet as at the date to which income and expenditure account is made up, shall be made out and laid before the Trust at the Annual General Meeting. Every such balance sheet shall be accompanied by proper reports of the Governing Body and the Auditors. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Trust in General Meeting, together with a copy of the Auditor's report, shall, twenty-one clear days previously to such meeting, be sent to the Auditor and every Member entitled to receive notices of General Meeting in the manner in which notices are hereinafter directed to be served.

AUDIT

62. Auditors shall be appointed and their duties regulated in the manner provided by Sections 235, 237, 241, 242, 384-394 and 713 of the Act, and for this purpose the said sections shall have effect as if "Member of the Governing Body" and "the Governing Body" were substituted for "Director" and "the Directors" respectively.

63. The Members of the Governing Body shall comply with their obligations under the Charities Act 1992 (or any statutory re-enactment or modification of that Act) with regard to the preparation of an annual report and its transmission to the Commissioners.

ANNUAL RETURN

64. The Members of the Governing Body shall comply with their obligations under the Charities Act 1992 (or any statutory re-enactment or modification of that Act) with regard to the preparation of an annual return and its transmission to the Commissioners.

NOTICES

65. A notice may be served by the Trust upon any Member either personally or by sending it through the post addressed to such Member at his registered address

66. No Member shall be entitled to have a notice served on him at any address not within the United Kingdom, and any Member whose registered address is not within the United Kingdom may by notice in writing require the Trust to register an address within the United Kingdom which, for the purpose of the serving of notices, shall be deemed to be his registered address. Any Member not having a registered address within the United Kingdom, and not having given notice as aforesaid, shall be deemed to have received in due course any notice which shall have been displayed in the office and shall remain there for the space of forty-eight hours, and such notice shall be deemed to have been received by such Member at the expiration of twenty-four hours from the time when it shall have been so first displayed.

67. Any notice if served by post shall be deemed to have been served at the expiration of twenty-four hours after the same shall have been posted, and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and put into the post office or into any post box subject to the control of the Postmaster General.

DISSOLUTION

68. Clause 8 of the Memorandum of Association relating to the winding up and dissolution of the Trust shall have effect as if the provisions thereof were repeated in these Presents.

SUBSCRIBERS NAMES & ADDRESSES

Firstly Barak John D'Amphlett

of Panmureton Millbrook Cornwall Plc

[Signature]

Secondly Peter Nath Pearson

of 1 Elm Park, Serravallo, Mudge

Cornwall, [Signature]

Thirdly John George Pate

of Cassidy Post Office

[Signature]

Dated this 3rd day of September 1997

Witness to the above signatures
[Signature] **ROBERT WOFFEN**

DODBROOK HOUSE, MILLBROOK
TORPOINT, CORNWALL PL10

APPENDIX 2: Timeline of recent events and decision making

22nd September 2013	AGM Minutes – “The operating business remains healthy”, “bank advised maximum we are likely to be able to borrow is £240k”, “communications with the Architectural Heritage Fund (AHF) is ongoing”.
9th July 2014	Demand Letter from DWF on behalf of AHF asking for proof of loan offer or similar to pay “significant proportion of outstanding indebtedness” by 1 st September 2014. Total loan and interest outstanding has reached £430,000.
August 2014	Connected person made offer to lease/buy camping assets - no action appears to have been taken.
5th September 2014	Survey and valuation completed with the intention of supporting commercial loan applications.
27th September 2014	Trust meeting where original sale proposal was discussed - an intermediary addressed the meeting on behalf of prospective purchaser. Initial proposal was to purchase freehold of a number of outbuildings only: Paystore, Strawstore, Stables, Guardhouse and Bungalow but not ablutions, Random Arms or Energy Room. No land, either freehold or leasehold, was included at this stage. Offer was £300,000 and £100,000 towards refurbishment of Barrack Block. Intermediary stated “he would not develop or make it something it isn’t”. Trustees voted “are mindful to say yes to his proposal”. Prospective purchaser asked to contact AHF direct.
29 th September 2014	Chair emails AHF stating that offer had been ‘accepted’ in principle.
1 st October 2014	Email from prospective purchaser – proposal to remove AHF debt then sort out purchase later.
7 th October 2014	RCT contacts 2nd creditor. Creditor emails to confirm will accept £30k offer previously negotiated by trustees, but includes request for security of tenure for her relative
10 th October 2014	AHF emails to confirm “We’ve put an offer to prospective purchaser which he’s accepted”
16 th October 2014	Revised Proposal given to Trust from prospective purchaser: Offer was for all freehold and leasehold property with the exception of the Barrack Block and Nissen Huts. All the Trusts outstanding debt was to be eliminated comprising AHF loan and interest £430,000; Individual creditors £30,000 and Bank Loan £8,000. In addition £100,000 was to go towards

	Barrack Block refurbishment and a further £150,000 to be paid over 10 years. A company was to be set up and the first £200,00 of profits would be used to upgrade services on the site as well as 10% of annual company profits to be used to purchase art from resident artists.
16 th October 2014	Connected party requests parity in repayment regarding AHF and local creditor
17 th October 2014	Emergency Trustees meeting was held to discuss the offer. Sample quotes from the discussion: Trustee: "The Trusts (sic) original aims were to preserve the site against development by a private developer" Intermediary on behalf of prospective purchaser: "that isn't going to happen". After discussion vote was taken and Trust agreed to accept the offer.
23 rd October 2014	A proposal from a trustee was received by email to remove the "retirement and election of Trustees" at AGM
28 th October 2014	Resignation of Chair
2nd November 2014	Charity Commission guidance CC28 (Sales leases transfers or mortgages: what trustees need to know about disposing of charity land) was circulated to trustees by RCT administrator.
October/November 2014	Heads of Terms received from prospective purchaser's solicitor. Trustees draft amendments following discussions at the meeting of 17th October 2014, covering paras 3,4b, 4c & 4e of RCT Governing Documents
22 nd November 2014	Further enquiry from family of local creditor re purchase of camping field
23rd November 2014	At the AGM various assurances given to the members by prospective purchaser's representative. The proposal was re-iterated as the removal of the debt burden, £100k for Barrack Building refurbishment, £100k to improve services and £150k over 10 years. It was also stated "there will be covenants in place"
24 th November 2014	U-turn on covenants, previously agreed in principle, by prospective purchaser
10 th December 2014	Conversation with purchaser's solicitor: "Prospective purchaser is not willing to bind the land in any form". Prospective purchaser refuses to buy the land if any restrictive

	<p>covenants are put in place, and no legal “collaboration document” is to be entered into either.</p> <p>Prospective purchaser “does not know what he is going to do with the land....residential, commercial or studios”.</p> <p>RCT told they would have to “trust” prospective purchaser but warned the proposed artist community may not go ahead.</p>
16 th February 2015	Evolving Places Ltd incorporated
27 th February 2015	One trustee resigns
3 rd May 2015	Trustees meeting, no change to deal mentioned, vote to sign paperwork. £8,000 owing to Lloyds has now been paid by RCT monthly.
5 th May 2015	Trustees refuse to sign sale paperwork due to discrepancies
6 th May 2015	<p>Further revision to proposal received from purchaser’s solicitor.</p> <p>Freehold:</p> <p>Overall debt has been renegotiated to £355,000, which is required to relieve the Trust financial debt burden, and a further £150,000 for the Trust over the next 10 years.</p> <p>Leasehold:</p> <p>£100,000 for Barrack Block refurbishment and £100,000 for infrastructure improvements were tied to the assignment of the leasehold property.</p> <p>10% profits to support artists and artwork removed.</p> <p>Concerns were raised over lack of communication between EP Ltd and Edgcumbe Estate over Lease transfer.</p>
13 th May 2015	The Trust agreed to changes in the proposal and the monthly payments would start immediately after the transfer of the freehold property.
1st June 2015	RCT trustees disposed of the freehold land and buildings to Evolving Places Ltd.

POST SALE EVENTS

16 th July 2015	Meeting between Edgcumbe Estate land agent and purchaser
12th November 2015	One trustee resigns
23rd November 2015	AGM
25th April 2016	Joint statement by RCT and EP Ltd confirming trustees have voted to offer the freehold of the Barrack Building to EP Ltd (for an option of £1). This was not widely circulated.
May 2016	Following RCT tenants instructed to vacate the Barrack Building
14th June 2016	EGM at which trustees were challenged to explain rumours of their intentions for disposing of the Barrack Block to EP Ltd.
14th Sept 2016	EGM - Six hundred Letters of Community Support for the ownership of the Barrack Building to be retained by RCT were raised in just three weeks and presented to trustees.
26th September 2016	Three trustees resign
13th October 2016	Charity Commission contacted trustees, requesting them to supply information on the disposal of assets
18th October 2016	Treasurer resigns
30th November 2016	Trustees responded to Charity Commission
20th December 2016	Four trustees resign
22nd December 2016	At the AGM the current Board of Trustees was formed. All of the current trustees were appointed in late 2016 and early 2017.
4th January 2017	The new Board of Trustees received the Charity Commission's findings on the 2015 deal, including the finding that the full requirements of the Charities Act 2011 were not met. As a result, the current trustees were required to fully inform themselves of the past transaction and report to the Commission.

APPENDIX 3: Charity Commission letter of 4th January 2017



CHARITY COMMISSION
FOR ENGLAND AND WALES

[REDACTED]
Via email only.

Charity Commission
PO Box 211
Bootle
L20 7YX

T: 0300 065 1802

Your ref:
Our ref: NJ/1066389/PCTWales

Date: 04 January 2017

Dear [REDACTED]

Rame Conservation Trust (1066389)

Thank you for your email. I understand that you have been appointed as trustee of the charity. Other new trustees have also been appointed in the last few months.

Please ensure that the details of the new trustees are recorded with the Commission. This can be done through the online system at the link below. You will need the charity's password and registered charity number to change the trustee details. The password should be available from the charity's former trustees.

<https://www.gov.uk/change-your-charitys-details>

All new trustees should also carefully consider the Commission's guidance on the role and responsibilities of trustees. I have provided a link to that guidance below:

[The essential trustee: what you need to know, what you need to do \(CC3\)](#)

Action for trustees

- Update the trustee details.
- All the charity's trustees should now read the above guidance.

1. Background

The Commission has been in contact with the former trustees about the sale of the charity's land to Evolving Places. We contacted the trustees to establish whether:

- the charity had a power of sale;
- the legal requirements had been met when disposing of charity land; and

On track to meet your deadline?

Visit www.gov.uk/charity-commission for help on filing your annual return and accounts

t: 0300 066 9197 (General enquiries)
0300 066 9219 (Textphone)

w: www.gov.uk/charity-commission

- trustees were taking decisions in the charity's best interests.

The legal requirements when selling charity land are explained in detail in section 4.1 of the guidance at the link below.

[Sales leases transfers or mortgages: what trustees need to know about disposing of charity land \(CC28\)](#)

Concerns were also raised about the proposal to enter into a further option agreement with Evolving Places. This will not now take place.

2. The Commission's findings

The former trustees explained that they did have the power to dispose of the charity's land and this power is contained within the charity's governing document. They also believe that they have acted in the charity's best interest.

However, while they did take advice from a lawyer when disposing of the charity's land, the full requirements of the Charities Act 2011 (again, as set out in section 4.1 of the guidance above) were not met.

3. Concerns for the future

a) Land disposal

Action for trustees

As the charity's new trustees, you now need to fully inform yourself of the past transaction and review the decision of the former trustees to sell the land. You need to decide, based on the facts, including the charity's financial position at that time, whether the decision to dispose of the land was reasonable and whether there has been any loss to the charity from not meeting the legal requirements when disposing of charity land.

To help with this process, you will need to carefully consider the Commission's guidance on trustee decision making (at the link below). You will also need to take your own legal advice on the transaction and get a proper valuation of the value of the disposal to establish whether there has been any loss. You will then need to report on your findings to the Commission.

[It's your decision: charity trustees and decision making \(CC27\)](#)

b) Lack of focus on the charity's object

The charity's object is copied below.

"To preserve for the benefit of the townspeople of the borough of Rame in the county of Cornwall and of the nation at large, whatever of the historical, architectural and constructional heritage may exist in and around the borough of Rame aforesaid in the form

of buildings (including any building as defined in section 336(1) of the town and country planning act 1990) of particular beauty or historical, architectural or constructional interest.”

The trustees must make sure that everything the charity does helps (or is intended to help) achieve the above object, and no other object. This means that trustees should ensure they understand the charity’s object and the activities they can carry out.

I have provided a link to the Commission’s guidance on preservation charities below.

<https://www.gov.uk/government/publications/preservation-and-conservation-charities-rr9>

From the Trustees’ Annual Reports and the charity’s website, we have concerns that the charity may see supporting artists and musicians as part of the charity’s object. However, this is not the case. This is the way the charity makes money in order to further its object.

I also understand that the charity may now have some woodland. Again, it is not clear how this fits with the charity’s object to preserve buildings of particular beauty or historical, architectural or constructional interest.

Action for the trustees

The trustees need to fully review the charity’s activities to ensure that they are focussed on furthering the charity’s object. They need to stop any activities that do not further or help to further the charity’s object. They need to be clear about what activities are in fact trading ie the purpose is to provide an income for the charity. The money is then used to further the charity’s object.

Alternatively, the trustees should review the charity’s object to see whether it is still appropriate, relevant and up to date or whether it should be amended or added to. For example, if the woodland is an area worthy of conservation and there is independent expert evidence to confirm this, then it may be appropriate to consider adding an additional object about conservation. There is further guidance about this in section 4.3 and 4.4 of the Essential Trustee (CC3). There is a link to this at the start of this letter.

The trustees should also consider getting some help with this process. There are some groups that may be able to help, such as Cornwall Voluntary Sector Forum.

c) Lack of formal agreements in place

I understand that the charity has a number of tenants. However, there are no formal agreements in place. A camping site is also run from the charity’s land. However, again, there is no formal agreement in place.

Action for the trustees

This needs to be addressed by the trustees and formal agreements put in place with any tenants.

d) Financial difficulties

The charity continues to be in financial difficulties. The Commission has guidance about this at the link below.

[Managing a charity's finances \(CC12\)](#)

Action for trustees

The trustees need to consider this guidance and ensure that they take the right advice in order to comply with their duties when managing the charity and its finances.

4. Conclusion

I appreciate that there is a lot of information in this letter and links to further guidance for the trustees to consider. However, I hope you find this information useful.

As trustees, you will now need to report on your findings of the review of the decision and process followed when disposing of the charity land as set out in section 3 a of this letter.

Please also confirm that you will meet all the other actions for trustees, which are:

- updating the trustee details;
- reading "The Essential Trustee (CC3)";
- reviewing the charity's objects and activities as set out in section 3 b of this letter;
- putting formal agreements in place with any tenants; and
- reading "Managing a charity's finances (CC12)" and taking advice as necessary.

Please provide this response by the **1 February 2017**. If you are unable to meet this date, then please contact me before that date and we can discuss a new timeframe.

Yours sincerely
Nia Jones

operationswales@charitycommission.gsi.gov.uk

APPENDIX 4: Vickery Holman Valuation Report



**LAND AND BUILDINGS AT MAKER HEIGHTS
MILLBROOK
CORNWALL
PL10 1LA**

**VALUATION REPORT
MADE PURSUANT TO 117-123 CHARITIES ACT 2011
FOR THE PURPOSES OF A DISPOSAL OF PROPERTY
BY A NON-EXEMPT CHARITY**

On instructions received from:-

**THE RAME CONSERVATION TRUST
C/O 6 ELM PARK
MILLBROOK
CORNWALL
PL10 1HD**

**Our Ref: NJH/TMB/100026
Your Ref: Mr C Day**

30 May 2017

Expert Knowledge
delivered locally

**LAND AND BUILDINGS AT MAKER HEIGHTS, MILLBROOK, CORNWALL PL10 1LA****1.0 INSTRUCTIONS**

- 1.1 Vickery Holman were instructed on 10 May 2010 by Rame Conservation Trust to provide formal valuation advice in connection with the disposal of the land and buildings and on the potential disposal of the barrack block at Maker Heights to Evolving Places Ltd in June 2015.
- 1.2 The Valuation in this Report has been prepared in accordance with: -

the current edition of the RICS Valuation – Professional Standards (Red Book) issued by the Royal Institution of Chartered Surveyors and is compliant with IVS, where appropriate and;

the requirements of Ss.119 - 120 of the Charities Act 2011 & Charities (Qualified Surveyor's Reports) Regulations 1992, where appropriate.
- 1.3 The basis of Valuation adopted is Market Value and we confirm that professional indemnity insurance on a per claim basis is available in respect of this service.
- 1.4 The property was inspected on 17 May 2017 by Mr N J Holman FRICS ACI Arb RICS Registered Valuer, who has appropriate experience and knowledge of valuing property of this type and is acting exclusively for the Charity as a qualified Surveyor. The weather at the time of inspection was overcast and raining. Following consideration of all relevant matters we now report.
- 1.5 We confirm that Vickery Holman Ltd holds Professional Indemnity Insurance for up to £10,000,000 in respect of any one claim, subject to an excess of £35,000.
- 1.6 We confirm that we are not aware of any conflicts of interest either personal or in relation to Vickery Holman which prevent us from providing this Valuation advice to Rame Conservation Trust.



2.0 LOCATION



- 2.1 The property is situated on The Rame Peninsula between Millbrook and Cremyll.
 - 2.2 The property occupies an elevated position with views over the approaches to Plymouth Sound which is a key factor in the historic context of the property and the ancient monuments that it contains. The area is designated as an Area of Outstanding Natural Beauty and the property is surrounded by open fields.
- 3.0 DESCRIPTION
- 3.1 The property sold to Evolving Places Ltd comprises part of the property originally held by the Trust in part as a Freehold interest and in part as a Long Leasehold interest from The Mount Edgcumbe Estate. It includes Redoubt No. 2 which is an ancient monument. The eastern part of the property comprises an open area which has been used as a campsite for many years.



- 3.2 In the centre of the property is the former barrack block which was retained by the Trust and excluded from the sale. The outbuildings however to the side and rear of the barrack block were included in the sale and comprise a range of single and two-storey buildings in either masonry or brick walls under in the main pitch slate roofs. There is one exception where the roof is clad in corrugated iron.
- 3.3 The barrack block is a substantial and imposing mainly two-storey structure. It is constructed, presumably, of masonry walls externally rendered and painted under a pitched slate roof. The building retains its original sash windows and has suspended timber floors at ground and first floor levels.
- 3.4 At the western end of the barrack block there is an area of cellars accessed externally from the rear elevation.
- 3.5 The property is further described by the photographs below: -







4.0 ACCOMMODATION

- 4.1 The main buildings included in the sale to Evolving Places Ltd range in size from about 85 sq ft to 860 sq ft, together with three or four other structures that are little more than storage sheds.
- 4.2 The barrack block was originally constructed to provide quarters for sergeants, soldiers and officers. Since the sale of the property the cellars and ground floor area above have been declared too dangerous due to rot and have been sealed off. Otherwise we were only able to inspect a limited number of the rooms at the eastern end of the site. We have therefore relied upon the floor areas that were used by the Trust in the period leading up to the sale as the basis for determining rents for the individual rooms. The following is therefore a summary of the net internal floor areas: -

<u>DESCRIPTION</u>	<u>SQ M</u>	<u>SQ FT</u>
Sergeants' Quarters		
Ground Floor:		
Room 14.1	61	657
Room 14.3	15.5	167
Room 4	23.7	255
First Floor:		
Room 14.2	61	657
Room 14.5	15.5	167
Room 14/6	25.8	278



Soldiers' Quarters

Ground Floor:

Room 15/1	50.2	540
Room 15/2	50.2	540
Room 15/3	50.2	540

First Floor:

Room 15.4	50.2	540
Room 15/5	50.2	540
Room 15/6	50.2	540

Officers' Quarters

Ground Floor:

Room 16/1	18.8	202
Room 16/2	19.2	207
Room 16/3	17.6	190
Room 16/4	27	291
Room 16/5	52	560

First Floor:

Room 16/6	19.7	212
Room 16/7	19.7	212
Room 16/8	17.6	190
Room 16/9	25	269
Room 16/10	24	258
Room 16/11	28.1	302

TOTAL AREA 772.1 8310

4.3 With the basement being inaccessible, we can only estimate the extent of it which we believe is in the order of 55 sq m (592 sq ft).

5.0 SITE

5.1 The site is irregular in shape, with an overall area of approximately 3.69 hectares (9.12 acres), measured on site Promap.



- 5.2 The area of the property in front of the barrack block is largely level with the exception of the remains of Redoubt No. 2. The eastern portion of the site slopes gently from northeast to southwest.
- 5.3 The boundaries to the site, as we understand them, are shown highlighted in red for your informal identification purposes only on the plan below which is a copy of the plan attached to the transfer dated 1 June 2015.



5.4 The barrack block is identified on that plan by the green edging. It is our understanding that the boundary follows the external face of the walls and does not include any specific curtilage.

6.0 SERVICES

6.1 It is understood that the property is connected to mains water and electricity. Drainage is presently to a private sewage works situated in the retained leasehold land to the southwest of Redoubt No. 2.

6.2 In respect of the water supply we have assumed for the purposes of our valuation that this is in satisfactory condition and that the supply capacity is sufficient for the present use of the property and the potential conversion of the main buildings.

6.3 In respect of the electrical installation the Trustees have indicated that there is now a potential expenditure of some £250,000 in order to upgrade the supply and installation as part of any development at the property.

6.4 In respect of the private sewage plant we anticipate that this will have sufficient capacity, not only for the existing use of the property but the potential for the main buildings to be converted to holiday apartments. In the absence of specialist investigation and report at this stage we would question whether there would be sufficient capacity for any other development at the property. Indeed, a developer may prefer to have total control over the sewage treatment works and provide a new installation within the curtilage of the property.

6.5 From these comments you will appreciate that no testing of any of the services has been carried out during the course of our investigations. Only through testing by an appropriately qualified contractor can categorical confirmation as to the condition and serviceability of all mechanical and electrical installations be provided.

7.0 CONDITION

7.1 Vickery Holman were not instructed to undertake any structural surveys, test the services, or arrange for any investigations to be carried out to determine whether any deleterious materials had been used in the construction of the property valued.

7.2 From our inspection for valuation purposes we note that the property is in somewhat better condition than might be envisaged, particularly where there has been little use of the buildings for some time. In general terms all the existing structures appear to be wind and watertight and therefore it is reasonable to anticipate that this was also the case in June 2015.



- 7.3 With properties of this age and character there is inevitably some element of damp penetration but not to any great degree. Where ingress does need to be addressed, this would be as part of the normal refurbishment works to bring all of the buildings back into full use.
- 7.4 In respect of the barrack block, despite that the limited use made of it since the sale, from our limited inspection for valuation purposes the main structure appears sound. The sash windows are in general need of an overhaul which in some cases will involve cutting out rotted timbers and scarfing in new and in extreme cases complete replacement of sashes and frames. Internally from the small portion of the accommodation that we were able to inspect, there will be quite extensive making good to plaster finishes prior to complete redecoration. Internal joinery will also require redecorating and in view of the listed status of the building there will be quite stringent controls on the degree to which doors and other features can be refurbished.
- 7.5 In looking at a potential sale of the barrack block we consider it would not be in the best interests for the Charity to carry out the necessary repair and refurbishment works prior to a sale being completed. Certainly internal redecoration would be potentially a waste of the Trust's money as this will almost certainly change as part of the conversion and refurbishment works. We feel it would be far better to allow a purchaser full rein to address the issues, on what will be probably a more cost-effective basis, as part of their overall works with the property.
- 7.6 We have not undertaken a condition survey nor have we inspected the whole of the property but in very general terms we anticipate cost of repairs and redecoration will be in the order of £200,000-£250,000 including a due proportion of the electrical upgrade referred to earlier. This does not include any allowance for alterations or upgrade of the distribution of services within the building, either the continuation of existing use or any conversion works.

8.0 TENURE

- 8.1 We have not been provided with a copy of the Report on Title for the property but have seen copies of the original conveyance under which The Rame Conservation Trust purchased the property in 1998; the lease under which the Trust holds the surrounding land from the Earl of Mount Edgcumbe dated 3 December 1998; and the Transfer dated 1 June 2015 between the Trust and Evolving Places Ltd.
- 8.2 Under the 1998 conveyance the Freehold interest in the property edged in red on the plan included in Section 5 above was transferred. The conveyance includes for the Trust a right-of-way with or without vehicles over and along the access road leading from the public highway. There was also a right granted to improve and widen the surface and all foundations of that access way including to form visibility splays at the junction with the public highway. The visibility splays have been constructed. These rights were granted



subject to the Trust and their successors in title being responsible for the whole of the cost of the maintenance of the access way and the cost of carrying out any improvement or works permitted.

- 8.3 The right of access was subject to a proviso in the event that the Highway Authority required the provision of an alternative access way to the public highway. That has not arisen as a requirement on the current uses of the site or those that have been subject to a formal planning consent over the past 20 years or so. With any more intensive use of the barrack building and potentially development on other parts of the property, this may become a consideration.
- 8.4 The concerns that we anticipate the Highway Authority would now hold relate to the fact that the junction of the access road with the public highway is on the inside of a relatively sharp bend with restricted visibility in both directions. The conveyance originally provided that if the requirement for a new access had arisen within three years then the vendor would grant, in substitution of the existing right of way, a new right of way for the access to follow such a route through their retained land as the Highway Authority required. This included the associated rights to construct the revised access way, provided the Trust or their successors in title bore the full cost of the works. The ability to provide an alternative access at no other cost than that of constructing the roadway expired long before the June 2015 sale to Evolving Places Ltd. Thus, if further development after June 2015 was proposed at the property which caused the Highway Authority to require a new access to be constructed, the developer would be facing a situation where the Mount Edgcumbe Estate held a ransom to that development. That, under established principles would require the developer to pay The Edgcumbe Estate a minimum of one third of the value of the development land in order to secure the new access.
- 8.5 The lease completed on 3 December 1998 does not touch on the property which is the subject of this report, but surrounds it. The main point of interest is that it contains the same right to pass on foot with or without vehicles along the existing access road to the junction with the public highway. The lease has one significantly different provision however regarding the Trust's ability to avoid incurring the cost of maintaining the ancient monuments. Under the lease the Trust has the ability to serve notice to terminate the lease if it has served on it by any local county or other appropriate body a statutory notice requiring the tenant to carry out works of repair to the ancient monuments. This does not include Redoubt No. 2 as that was transferred in the Freehold property without any similar opportunity for the Trust to avoid liability.
- 8.6 Under the latest Transfer, appropriate reciprocal rights were granted to continue use of utilities which passed through either property to serve the other and to enter on to the other property in order to effect any repairs that may be necessary to those utilities.
- 8.7 The wording of the Transfer is apparently in error in terms of rights granted for the benefit of the property. There is no express right granted to use the access road, although the access road is identified on the transfer plan. In addition there is a positive obligation on



Evolving Places Ltd to maintain the access road and any utility conduits passing through the property to be used by the Trust in the barrack block. The obligation for maintaining the access road however is restricted to a requirement to keep the access road in no better state of repair or condition than is recorded by the Access Road Schedule of Condition.

- 8.8 The transfer goes on to reserve in favour of the Trust a right of way at all times with or without vehicles over the access road in order to achieve access to and egress from the retained land, i.e. the barrack block. It also relates to access to the designated areas for parking bearing in mind that the Trust has the right to park up to 10 vehicles on the property it was selling or on any reasonable alternative land made available by Evolving Places Ltd.
- 8.9 There is therefore the implication that the parties had intended that the purchaser should indeed be granted a right of access. Transferring the repairing obligations on to the purchaser was logical in terms of the fact that it would be occupying the much larger area. We are not aware of the purchaser subsequently seeking any consent for rectification of the Transfer document. At this stage we have assumed that the purchaser would now be able to secure a Deed of Rectification at nil cost reflecting the intentions of the parties. It may however be appropriate for the Trust to take legal opinion on this point in case there is an opportunity to receive a recognition payment for the amendment.
- 8.10 We understand there is a footpath which passes through the property which the public use from time-to-time. At the date of sale however this was not a designated public footpath.

9.0 PLANNING

- 9.1 We have made informal enquiries of the website of Cornwall Council's Planning Department which has revealed that the Trust made a preapplication enquiry in 2014 regarding retrospective planning consent and retention of use for various historic Napoleonic buildings and Nissen huts at Maker Heights. The preapplication response includes helpful site planning history. Accordingly a copy of the response dated 4 April 2014 is enclosed at Appendix 1.
- 9.2 Specific consents have been granted over the years for conversion of the barrack block to six residential units, its conversion to a residential education centre and conversion of the outbuildings to warden's accommodation, ablutions block, common room, study, field studies laboratory, administration/conference offices and cinema. In 2003 a consent was granted for the siting of a mobile home for the warden's accommodation associated with the campsite and Listed building consent was granted to repair the fire-damaged building which was the barrack block.
- 9.3 The preapplication response identified that in respect of the property which is the subject of this report, two applications for retrospective planning permission were necessary namely: -



- a) Retention of a biomass boiler chimney going through the roof of the listed guardhouse. This is on part of the property sold in June 2015.
 - b) Use of the main barrack block for studios and workshops in connection with the Maker Project.
- 9.4 In respect of the barrack block there was an indication of probable support for the application bearing in mind the planning history of the site.
- 9.5 There is no evidence in the planning records to show that either of these retrospective applications has been submitted.
- 9.6 The campsite was the subject of a successful application for a Certificate of Lawfulness for Existing Use in October 2014. We note from the planning record however that there have also been three complaints leading to consideration of enforcement action, all relating to use of the campsite and the introduction of yurts. None appears to have resulted in enforcement action being taken.
- 9.7 The conclusion to the pre-application response provides a very clear indication of the Planning Authority's position regarding this site. From that conclusion we quote as follows: -
- 'Planning permission and listed building consent should be sought for the alterations that have already been undertaken and such applications must include a heritage assessment which will describe the significance of the heritage asset and how it is to be affected. Detailed plans and elevations should also be submitted along with a design and access statement. Since this is an extremely importance heritage asset it should have in place an up-to-date conservation plan that would basically cover understanding the site, assessing the significance and vulnerability of the site and finally the conservation policy for the whole site.'
- 9.8 The fact that the property comprises Grade II and Grade II* listed buildings imposes further considerations. These will not only cover the fabric of those buildings but also the immediate environs in which they are set.
- 9.9 We understand that at the time of the sale the developer was indicating an intention to seek planning permission for some residential development under the 'enabling development' policy. Under that policy development which would normally be refused could be approved if part of the proceeds could be used to repair and preserve the historic buildings and ancient monuments. The area for that development was identified as being that part of the campsite on the eastern section of the property.
- 9.10 Paragraph 55 of the National Planning Policy Framework does provide for dwellings to be provided in the open countryside where such development would represent the optimal viable use of a heritage asset or would be appropriate enabling development to secure the future of heritage assets. On the face of it therefore the enabling development argument



could be used in support of residential development. Our concern however is that the Planning Authority will still be concerned about impact on the locality and the open nature of the countryside on this exposed elevated site. At the time of the sale therefore it was far from certain that the purchaser would be successful in achieving residential development on any part of this site other than perhaps the conversion of the buildings. That, however, is not viable in the context of the outbuildings on their own and the barrack building was specifically excluded from the sale. There is no evidence that the purchaser has subsequently pursued the residential development option.

10.0 VALUATION AND DISPOSAL CONSIDERATIONS – JUNE 2015 SALE

- 10.1 We understand this sale was achieved by an ‘off-market’ negotiation rather than the property generally being offered to the market. With a site where there is some expectation of development potential, there is an argument that the property should be offered to the wider market, particularly in circumstances where the vendors were in fact looking for an unconditional sale. With many development sites an unconditional sale prior to securing planning permission will result in a significant discount in the level of offers made by prospective purchasers. Reducing the purchaser’s risk by entering into a conditional contract or option whereby the sale will complete upon the grant of planning permission is, for most vendors, the preferred option.
- 10.2 In the circumstances faced by the Trust, we understand there were financial pressures and that an immediate unconditional sale was seen as the best way of addressing them.
- 10.3 The nature of the property restricts the likely demand. While the potential for reuse of the buildings could readily be identified, the fact that the barrack block, which sits right in the middle of the land originally held by the Trust, was excluded from the sale materially undermines the viability of the future use of the outbuildings. The purchaser was also taking on the future liability for the conservation of Redoubt No. 2.
- 10.4 Even while trying to take advantage of the enabling development policy, we consider at the time of purchase, and indeed still today, the prospects for securing any form of residential development on the former campsite area were extremely remote. The land is so exposed and prominent in view from various viewpoints in the surrounding landscape that its impact on the Area of Outstanding Natural Beauty would have been a serious concern for the Planning Authority. Provision of a cluster of new dwellings too close to the existing buildings could be deemed to adversely impact on the setting of the listed buildings. Thus, had we been advising the Trust in the period leading up to the sale we would have canvassed caution on the expectation of achieving a price which reflected hope value for development beyond the use of the existing buildings.
- 10.5 It is also appropriate to bear in mind the comments made earlier regarding the right to use the existing access and the fact that the Trust was not in a position to offer the flexibility which the Edgcombe Estate had shown at the time of the conveyance in 1998. If the



Highway Authority either concluded that the volume of traffic movements at the junction had reached a point where it became an unsafe option, or the volume of traffic using the access road necessitated its development into a two-lane carriageway, any future developer could face negotiating with the Edgecumbe Estate from a weakened position. If Evolving Places Ltd were alive to this point at the time of making their offer then they were in fact valuing the property at significantly more than the purchase price of £505,000.

- 10.6 The outbuildings had been generating some rental income but in the overall context of the property it was not significant being in the region of £8,600 per annum. On the basis that the Trust are retaining liability for utilities, repairs and insurance. In addition, there was about £6,000 per year received in respect of that portion of the campsite within the Trust's ownership. Bearing in mind that the toilet facilities for the campsite are presently situated within the range of outbuildings and that the mobile home for the site warden is within the area of land sold to Evolving Places Ltd, a purchaser could look quite sensibly at the continuing operation of that part of the site independent from the area of the campsite retained by the Trust.
- 10.7 The portion of the campsite included in the sale extends to a gross area of approximately four acres and a net useable area of about 3.5 acres. On normal campsite densities, this would allow a maximum of 95 pitches to be occupied at any one time. While the mobile home that is provided lacks some degree of amenity, there is still nonetheless a significant lifestyle element to the campsite business. The exposed nature of the site means that in practical terms it is unlikely that the site will open more than for the period from April until the end of October each year. The key for any campsite however is not the maximum number of permitted pitches but the likely occupancy rate. That is normally calculated over the entire year. From our knowledge of other campsites our expectation would be an occupancy rate of between 25% and 30%. This provides a basis for an expectation of an income in the region of £95,000 a year from pitch fees. The rent actually paid for this portion of the site of £6,000 is therefore in our view somewhat below market value.
- 10.8 Between the barrack block and the Redoubt No. 2 is a relatively large open flat area. We understand in the past this has been used for wedding receptions but as a consequence of an intervention from Historic England that potential income source has ceased.
- 10.9 The financial pressures which the Trust faced was the repayment of a loan of £260,000 with interest of £180,000 that had accrued on that loan plus repayment of supporters' loans totalling £90,000. The overall indebtedness was therefore £530,000. In practice, the purchaser managed to renegotiate the loan repayments both for the primary loan and the supporters loan to reduce the total liability down to £350,000 with £150,000 of the agreed purchase price being deferred, even though there does not appear to be reference to that arrangement in the Transfer document. The transaction did however mean that the Trust was able to remove from its balance sheet a significant amount of debt.



- 10.10 Taking into account the various factors we have discussed above, we conclude that the sale to Evolving Places Ltd generated sale proceeds that, when paid in full, will be in excess of market value.
- 10.11 With this property we find ourselves in a situation where there is an identifiable income stream from the letting of the outbuildings and also from the operation of a campsite. There will be prospective purchasers for whom the ownership of an ancient monument in such a historic setting will have a value but the amount of value is likely to vary significantly from one purchaser from another. We conclude however that the sale to Evolving Places Ltd generated sale proceeds that were in excess of market value and there is no evidence to suggest that a wider marketing of the sale opportunity would have produced a higher figure than was actually achieved.

11.0 VALUATION AND DISPOSAL CONSIDERATIONS – BARRACK BLOCK

- 11.1 As mentioned earlier the barrack block sits in a key position within the overall property. While it is capable of separate occupation by virtue of the rights of access and parking granted, it inhibits the viable conversion of the outbuildings. Conversely there is no control over what might happen to the use of the outbuildings. Bearing in mind the close proximity between this building and those outbuildings that is a material factor when looking at the demand that there could be for the property.
- 11.2 Historically the accommodation has been used as artists and craft workshops. Back in 2014/15 the accommodation was generating income of about £18,000 a year. As with the outbuildings however this was on the basis that the Trust retains liability for repairs, utility costs and insurance.
- 11.3 The Local Authority clearly will encourage a continuation of that use but we feel that even if it is necessary to do so under the enabling development policy, the optimum value for barrack block is for its conversion to five or possibly seven apartments. The ideal solution would be to achieve a general residential consent rather than being restricted to holiday apartments. The location will be of attraction to the second home market as well as potentially as main residences. We believe however that the planning authority will favour holiday use.
- 11.4 The building lends itself to subdivision quite readily. We can see a scheme whereby the sergeants' quarters are converted to one large apartment then there being two smaller apartments in the soldiers' quarters plus the remaining third section of the soldiers' quarters being incorporated with, for example, Room 16/4 to provide a further variable on the size. Finally, there could be another large apartment formed in the remainder of the officers' quarters section. In terms of perhaps currying favour with the Planning Authority, while residential consent was being sought, the apartments would be more likely to be used for second homes or holiday apartments consideration might also be given to providing two further apartments by providing two apartments in the sergeants' quarters and two in the



end-section of the officers' quarters. There is no question that each of the apartments will enjoy very attractive views.

- 11.5 There are two considerations which could impact on the number of apartments that are provided. The first is that under the terms of the 2015 transfer, the owner of the barrack block only has the right to park up to 10 properties on adjoining land and even then, the location could reasonably be changed by Evolving Places Ltd or their successors in title. For residential use, there would be a need to show at least two parking spaces per dwelling thus suggesting you could only accommodate five within the building. Conversely 10 spaces would be more than adequate if there was a scheme for seven holiday apartments.
- 11.6 The other consideration is the lack of curtilage owned with the building. For residential purposes private amenity areas and external areas for bin storage etc could not be provided without the cooperation of Evolving Places Ltd. Indeed, Evolving Places could well take a view that they will not cooperate in any way as a means of securing the property for themselves.
- 11.7 Earlier in the report we talked about the repairs needed to this building. With works of conversion expected to either residential or holiday apartment use, much of the present defects would be absorbed within the redevelopment scheme. It will therefore be a more cost-efficient manner in which to deal with those repairs. From that point of view residential or holiday apartment use are probably the only options that will generate sufficient development value to bring the building back into good condition.
- 11.8 As holiday apartments the units will attract values of just under £250,000 each. We are anticipating this level in view of the location which has slightly less attraction than, for example, properties at Fort Picklecombe with the direct access to the sea and the small harbour. That will produce a gross development value of about £1,700,000.
- 11.9 After allowing for costs of the conversion, the upgrading of the access, professional fees, marketing fees, legal fees, developer's profit and finance costs the residual value for the property would be in the order of £330,000. That figure presupposes that the developer is not faced with any ransom payment to the Edgcumbe Estate. If there is a ransom then it is to be expected that the figure will fall to around £220,000.
- 11.10 In terms of the method of sale, this is largely determined by our views on whether or not the Trust should obtain planning permission before going to market. In our view having regard to the nature of the property and the undertakings that the Planning Authority will be seeking to secure, preferably direct from the developers, it would be best for the property to be marketed on a conditional basis. The preferred option would be to advertise the property for sale by private treaty and after assessing the level of demand possibly going to a position where best bids are invited.
- 11.11 The figures we have discussed reflect the market value of the property. If they are interested in purchasing then Evolving Places Ltd will be in a position of a special purchaser.



There is added value to them in merging their existing Freehold interest with that in the barrack block which would not be available to any other purchaser. It enables them to look at conversion of the outbuildings for either additional holiday apartments or related uses. This would probably entail relocating the toilet block for the campsite, however, once Evolving Places Ltd had control of the entire Freehold it is possible that they would look to cease the holiday camp use on their property in order to improve the environment for the future owners of the holiday apartments.

- 11.12 The difficult question to answer at this stage is quite what would be the level of their overbid. Much would depend upon what the Planning Authority is prepared to accept as a comprehensive scheme here. As things stand we feel it would be unwise to anticipate more than a 10% or 15% overbid compared with market value.

12.0 VALUATION

- 12.1 We are of the opinion that the Open Market Value of the Freehold interest of the property sold in June 2015 was a figure in the order of: -

£350,000

(Three Hundred and Fifty Thousand Pounds)

- 12.2 We are of the opinion that the current open market value of the Freehold interest in the premises known as the barrack block is a figure in the order of: -

£330,000

(Three Hundred and Thirty Thousand Pounds)

13.0 LIMITATION AND PUBLICATION

- 13.1 This valuation is prepared solely for the use of The Rame Conservation Trust and no responsibility is accepted to any other party for the whole or any part of its contents. It may be disclosed to other professional advisers assisting in respect of the purpose for which the valuation is prepared and also to the Charity Commission, if appropriate.
- 13.2 Neither the whole, nor any part of this Valuation Report, nor any reference thereto may be included in any published document, circular or statement, nor published in any way without the Valuer's written approval of the form and context in which it may appear.



We trust the above report is satisfactory for the Trust's purposes, but should you require any further information or clarification, please do not hesitate to contact us.

NICHOLAS J HOLMAN FRICS ACI Arb



Vickery Holman Ltd.
26 Lockyer Street
Plymouth
Devon
PL1 2QW

Date: - 31 May 2017



APPENDIX I
PRE-APPLICATION RESPONSE FROM CORNWALL COUNCIL



Rame Conservation Trust
C/o 24 Hounster Drive
Millbrook
Cornwall
PL10 1BZ

Your ref:
My ref: PA14/00469/PREAPP
Date: 4 April 2014

Dear Sir/Madam

Pre-application enquiry reference	PA14/00469/PREAPP
Proposal	Pre-application advice for retrospective planning consent and retention of use for various historic Napoleonic buildings and Nissan Huts and Maker Heights
Location	Rame Conservation Trust Maker Barracks Earls Drive Kingsand
Applicant	Rame Conservation Trust

I refer to your recently submitted pre-application advice form and attached details received on the 3rd February 2014 regarding development at Maker Barracks. I have taken the opportunity to review the proposal, the site planning history and planning policy context and would like to offer the following advice based upon a desktop exercise:

Site and context:

Maker Barracks is located in the countryside between Kingsand and Millbrook and comprises a former infantry barrack block now managed as a form of community/arts centre by Rame Conservation Trust. Buildings within the main barrack block are historic Grade II and II* Listed Buildings, whilst there are also a number of Nissan huts to the west of the site.

Constraints:

Grade II and II* Listed Buildings
Scheduled Ancient Monuments to the immediate south and west of the site.
Area of Outstanding Natural Beauty
Area of Great Historic Value

Planning, Housing and Regeneration Service
Cornwall Council
3-5 Barn Lane Bodmin Cornwall PL31 1LZ
planning@cornwall.gov.uk

4 April 2014

Proposal Summary:

This enquiry relates to a number of proposals as set out below:

- 1) Retention of a bio-mass boiler chimney going through the roof of the listed guardhouse.
- 2) Use of the main barrack block for studios and workshops in connection with the Maker Project including art.
- 3) Retention of Units 8 and 9 as a public house.
- 4) Retention of a cafe used in conjunction with the Tamar Outdoor Centre
- 5) Conversion of Nissan Huts to live/work units.

Detailed plans and elevations have not been provided.

Site Planning History:

E2/95/20653/LBC

Application for listed building consent to demolish buildings adjoining grade 2 listed walls and to convert grade 2 listed guard house to a dwelling.

Approved

E2/95/20654/FUL

Conversion of redundant barracks/educational establishment to six residential units. Alteration of existing vehicular/pedestrian access to highway.

Approved

E2/99/00766/FUL

Relaxation of condition 14 (to demolish huts and clear site) of Planning decision 95/0736/F to allow reconstruction of Nissan huts for educational use.

Approved

E2/99/01090/FUL

Conversion of redundant barrack building to residential education centre.

Approved

E2/99/01116/LBC

Application for Listed Building consent for conversion of interior to educational centre, including sleeping accommodation, hall and kitchen facilities involving removal of two cross walls.

Approved

E2/00/00510/FUL

Conversion of redundant outbuildings to Wardens accommodation, ablutions block, common room, study, field studies laboratory, administration/conference offices and cinema.

Approved

E2/00/00511/LBC

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4 April 2014

Application for Listed Building consent for conversion of redundant outbuildings to warden's accommodation, ablutions block, common room, study, field study laboratory, administration/conference offices and cinema.

Approved

E2/00/00519/FUL Construction of horticultural storage building.

Approved

E2/01/00738/FUL

Retention of security office.

Approved

E2/02/00244/FUL

Application to vary Condition 2 (Revised access details) and Condition 8 (Details of construction of access) of Planning consent 95/0736/F.

Approved

E2/03/01615/FUL

Siting of Wardens Accommodation (Mobile home) adjacent to car park

Approved

E2/05/00669/LBC

Application of Listed Building consent to repair fire damaged building.

Approved

Relevant Planning Policies:

Your pre-application submission has been considered against local and national policies, which in this instance includes the following relevant documents. This list includes reference to residential development and is not exhaustive but provides a focus for the key issues against which the scheme should be considered.

National Planning Policy Framework March 2012

Sections:

- 1 - Building a strong, competitive economy
- 3 - Supporting a prosperous rural economy
- 4 - Promoting sustainable transport
- 6 - Delivering a wide choice of high quality homes
- 7 - Requiring good design
- 8 - Promoting healthy communities
- 10 - Meeting the challenge of climate change, flooding and coastal change
- 11 - Conserving and enhancing the natural environment
- 12 - Conserving and enhancing the historic environment

PPS5 Planning for the Historic Environment: Historic Environment Planning Practice Guide (2010)

Cornwall Local Plan Strategic Policies 2010-2030, Consultation Draft, March 2014
Policy 1 - Presumption in favour of sustainable development

4 April 2014

Policy 2 - Key targets and spatial strategy
Policy 3 - Role and function of places
Policy 4 - Shopping, services and community facilities
Policy 5 - Jobs and skills
Policy 7 - Housing in the countryside
Policy 8 - Affordable housing
Policy 9 - Affordable housing led schemes
Policy 11 - Managing viability
Policy 13 - Design
Policy 14 - Development standards
Policy 17 - Health and wellbeing
Policy 22 - Best use of land and existing buildings
Policy 23 - Natural Environment
Policy 24 - Historic Environment
Policy 25 - Green Infrastructure
Policy 26 - Flood risk management and coastal change
Policy 27 - Transport and accessibility
PP17 - Cornwall Gateway Community Network Area

Caradon Local Plan First Alteration 2007

Adopted Policies

ALT2 - General Design Principles
ALT3 - Sustainable Design
ALT5 - Management of surface water
ALT8 - Food and drink premises
HO7 - Housing in the Countryside
HO8 - Conversion of Buildings
HO13 - Rural exception housing

Caradon Local Plan 1999

Saved Policies

EM5 - Workshops in the countryside
EM6 - Business development in the countryside
EM7 - Conversion of existing buildings in the countryside for workshop purposes
CL6 - Areas of Outstanding Natural Beauty and Heritage Coast
CL18 - Areas of Great Historic Value
CL19 - Buildings of archaeological significance
CL20 - Protection of archaeological sites
EV3 - Listed buildings and redevelopment in conservation areas
EV7 - Landscaping in New Development
EV11 - Highways
EV13 - Car Parking
HAZ5 - Contamination and unstable land

Cornwall Design Guide 2013

Cornwall AONB Management Plan 2011 - 2016

Cornwall Affordable Housing, Supplementary Planning Document, Consultation Draft,
January March 2014.

4 April 2014

Considerations:

As your enquiry relates to a number of proposals, I will deal with each in turn.

1) Retention of a bio-mass boiler chimney going through the roof of the listed guardhouse.

This will require the benefit of listed building consent and planning permission. It is very difficult to give informed advice on the likely acceptability of the flue which has been installed without full, detailed plans and as this is a desktop enquiry; I have not been able to visit the site and view the flue in situ. Furthermore, the advice of English Heritage will be required given that the site as a whole represents a very important Grade II* Listed complex of barrack buildings.

2) Use of the main barrack block for studios and workshops in connection with the Maker Project.

It is not clear based on the planning history for the site what the main barrack block is currently used for. Based upon the information submitted with the enquiry, I understand it is not currently being used as a residential education centre, for which planning permission was obtained, but is instead being used as workshops for artists.

Retrospective planning permission will be required in respect of this change of use and listed building consent will be required for any alterations which have taken place or which the Trust proposes to undertake.

Given the planning history of the site, where planning permission has previously been granted for education purposes, which is a form of community use, in principle there may be support for the use of the main block for these purposes; particularly given the position of national and local planning policy which seeks to support the rural economy and community facilities. However, without full and exact details of the nature of the use and any alterations which have or may take place, I am not in a position to provide any detailed guidance.

3) Retention of Units 8 and 9 as a public house; and 4) Retention of a cafe used in conjunction with the Tamar Outdoor Centre

Again, without exact details/plans as to the nature of the proposed use, whether it is open to members of the public or just patrons of the Maker Project/Tamar Outdoor Centre, I am not in a position to be able to comment on the acceptability of this use. If the premises are open to members of the public, the likely issues in the assessment of any future application would include whether this is an appropriate, sustainable location for a public house/cafe, whether the access and road network leading to the site are adequate, whether the development would have any adverse impacts on the environment or amenities.

4 April 2014

5) Conversion of Nissan Huts to live/work units.

I assume from the photographs submitted that the Nissan huts are located to the west of the main barracks. There is no policy support within the policies of the Caradon Local Plan or the National Planning Policy Framework for the provision of live work units in the open countryside.

Paragraph 55 of the NPPF states that development in such locations will only be permitted in the following circumstances:

- a) The essential need for a rural worker to live permanently at or near their place of work in the countryside; or
- b) Where such development would represent the optimal viable use of a heritage asset or would be appropriate enabling development to secure the future of heritage assets; or
- c) Where the development would re-use redundant or disused buildings and lead to an enhancement to the immediate setting; or
- d) Where the proposal represents truly exceptional, outstanding or innovative design.

No evidence has been put forward to demonstrate the proposed dwellings are required in connection with an existing agricultural business or other rural enterprise where the functional and financial tests are met. Furthermore, the proposal does not involve any specific heritage assets (where the Nissan huts are unlisted) and no detailed scheme has been put forward to assess whether the proposals represent truly exceptional, outstanding or innovative design. Furthermore, in my opinion the Nissan huts would not represent buildings that are worthy of retention.

As such, at present and based upon the limited information submitted with this enquiry, I would not encourage the submission of an application in respect of these proposals.

Conclusion

As set out above, this is a very important Grade II* listed complex of barrack buildings.

It is extremely difficult to give informed advice on the issues raised without any details of the individual proposals. Planning Permission and Listed Building Consent should be sought for the alterations that have already been undertaken and such applications must include a Heritage Assessment which will describe the significance of the heritage asset and how it is to be affected. Detailed plans and elevations should also be submitted along with a Design and Access Statement. Since this is an extremely important heritage asset it should have in place an up to date Conservation Plan that would basically cover; Understanding the Site, Assessing the Significance, Vulnerability of the Site and finally the Conservation Policy for the whole site. This should be undertaken by a specialist in the field of conservation or archaeology and could also be used in any future grant submissions. English Heritage will need to be consulted on any applications that relate to Grade II* listed

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buildings. I would therefore suggest that the Trust appoints an Agent/Architect immediately to ensure that the appropriate permissions are sought.

Please note that any advice given by Council officers for pre-application enquiries does not indicate a formal decision by the Council as local planning authority. Any views or opinions expressed are given in good faith, and to the best of ability, without prejudice to the formal consideration of any planning application following statutory public consultation, the issues raised and an evaluation of all available information.

You should therefore be aware that officers cannot give guarantees about the final formal decision that will be made on your planning or related applications. However, the advice issued will be considered by the Council as a material consideration in the determination of future planning related applications, subject to the proviso that circumstances and information may change or come to light that could alter the position. It should be noted that the weight given to pre-application advice notes will decline over time.

I hope the above is of assistance.

Yours faithfully

Davina Pritchard

**Senior Development Officer
Planning, Housing and Regeneration Service
Tel: 01579 341417
Email: planning@cornwall.gov.uk**

Rame Conservation Trust

Financial Analysis of Property Sale 1st June 2015

February 2017

C J Day (FCMA)

Introduction

This report has been requested by the new trustees of Rame Conservation Trust to assist in their understanding of the sale of Rame Conservation Trust freehold land and buildings to Evolving Places Ltd on 1st June 2015. There are three elements to this report:

- Analysis of historical finances of the Trust from its inception
- The financial aspects of the property sale, which was approved by previous trustees
- A view on the legality of the sale

Historical finances and financial timeline 1999 - 2016

The following figures summarise information drawn from the annual accounts of the Trust from its inception in 1999.

- 1999** In 1999 the Rame Conservation Trust acquired freehold land and buildings at Maker for £300,000. This was financed in part by community support but also with a loan from The Architectural Heritage Fund (AHF) for £260,000. This loan was due to be repaid by December 2000 otherwise interest would accrue at 5% per annum.
- 1999 - 2002** During the four years 1999 to 2002 fundraising and other activities brought in around £100,000 revenue. Costs of the site during the same period reached £150,000. In addition interest was accruing on the loan to AHF of £50,000 (approx. £12,500 per annum). No repayments had been made of either interest or capital. Also during this period further land was acquired on a leasehold basis for a ground rent of around £1,300 per annum.
- 2003 - 2004** In 2003 and 2004 re-instatement of a number of Nissen huts took place on the leasehold land. The cost of rebuilding these was around £150,000 and was financed by loans from trustees, supporters, banks and by a repayable grant. In 2004 the Outdoor Centre opened in the Nissen huts and revenue started increasing although the Trust only just broke even. This was despite no interest or capital repayments on the AHF loan. At the end of 2004 the assets of the freehold land and buildings and the leasehold land and Nissen huts were valued in the accounts at just over £400,000. By this time loans and creditors, however, totalled £550,000, making the Trust technically insolvent.

- 2004 -** During these years the Outdoor Centre and rental income from the other buildings supported the day-to-day activities of the Trust and covered a small amount of interest and loan repayments but it was unable to have any significant effect on the outstanding loans balance and the AHF interest continued rising. At the end of 2007 this had reached nearly £100,000.
- 2007**
- 2008-** In 2007/8 the first re-valuation of the freehold property took place by Braithwaite Associates and they valued the land and buildings (both freehold and leasehold) at £950,000, up from the value in the accounts of £385,000. The £950,000 valuation was incorrectly shown in the 2008 accounts as it included the valuation of the leasehold land. Although the Trust then became solvent there was no cash flow effect and it had no effect on the outstanding loans. AHF interest continued to rise reaching £145,000 in 2011. In addition during this period the Outdoor Centre declined and there was no significant improvement in the day-to-day finances of the Trust.
- 2012-** A further revaluation took place by Huntley and Partners in 2012/13, which valued the freehold land and buildings at £400,000, and after revaluation in the 2013 accounts the Trust was again close to being insolvent. Interest continued to accrue. AHF gave formal notice via their solicitors of the requirement to repay the loan and interest.
- 2014**
- 2015** In March 2015 and just prior to the sale of part of the freehold land and buildings the accounts of the Trust showed outstanding loans totalling around £530,000 - comprised AHF loan £260,000; AHF Interest £180,000; Trustee and Supporter loans £75,000 and a repayable grant £15,000. Income was just covering the site annual costs and there was nothing available to repay loans or interest or to improve the buildings.

Financial aspects of Property Sale

As noted above there were by 2015 outstanding loans and interest totalling £530,000. The Trust had no way of making any significant loan repayments or had spare money to pay for any improvements to the buildings, which were deteriorating.

A further revaluation of the freehold and leasehold property had taken place in September 2014 by Braithwaite Associates. This was for the purpose of supporting loan finance and totalled £850,000 comprising £250,000 relating to the campsite area, £130,000 for the leasehold land with the Nissen huts and £470,000 for the freehold land and buildings. The valuation makes clear the difficulty in valuing this type of property but, as it was made for supporting loan finance, it probably gives a good indication of the value that could be realised on commercial sale.

I have attempted to split this valuation between the retained land and buildings and the sold land and buildings to determine any profit or loss on the transaction. The valuation of £470,000 for the freehold land and buildings has been divided according to the rental income from each. In September 2014 at the time of the valuation rental income from the Barrack Block was 46% of the total income from the freehold site. This gives a valuation of the building retained of £218,000. The campsite can be split according to the area and popularity of the land by campers. An estimate for this was 60% retained and 40% sold.

Estimate for each valuation is therefore:

Retained property:

Retained Freehold Barrack Block £218,000

Leasehold Land £130,000

Campsite £150,000

Sold Property:

Campsite £100,000

Sold Land and Buildings £252,000

The land registry transfer shows a sale price for the land and buildings of £505,000. This was comprised of £355,000 to pay off loans and interest and deferred consideration of £150,000 payable over 10 years, £1,250 per month. This exceeded the above valuation by £153,000 or 43%.

However, in the accounts of the Trust, all loans and accrued interest were either paid off or the lenders accepted reduced repayment. An agreement had been reached to reduce the interest due on the AHF loan and also to reduce payments to some of the loan holders. The accounts of the Trust therefore benefited by the sale to the tune of £680,000 - loan and interest reductions and repayments of £530,000 and deferred consideration of £150,000. The valuation was therefore exceeded by £328,000 or 93%.

In addition to the sale price being in excess of the valuation for the land and building, the Trust was much more financially secure. Debt had been eliminated and, as a result, opportunities for grant funding have opened up to conserve, preserve and maintain all the remaining buildings on the freehold and leasehold land now controlled by the Trust.

This was a good financial outcome for the Rame Conservation Trust.

Legality of the sale

From the Memorandum and Articles of Association of the Rame Conservation Trust it does have the ability to sell land and buildings (section 4b) but must include appropriate covenants to ensure the preservation of the buildings or land.

In addition Charity Commission guidelines and the Charities Act 2011 (sections 117 to 121 relating to sale of land and property) require a valuation in an approved form. This requires the Trustees to have a written report from a qualified surveyor (RICS) on the proposed disposition of the property and to have advertised the proposed disposition as advised by the surveyor. The Trustees also needed to consider the surveyors report and assure themselves that the disposition is the best that can reasonably be obtained for the charity. The valuation in September 2014 does not meet these requirements.

In addition to the above the Trustees should have given public notice of the disposition and invited representations. They should then have taken into consideration any representations made prior to the sale. This can only be over-ridden by the Charity Commission. This did not occur.

It would be necessary to discuss the sale document and land registration document with an appropriately qualified solicitor to determine their efficacy but few covenants were incorporated into the property sale documents.

Summary

In summary it appears the financial result of the property sale for the Rame Conservation Trust was beneficial but the process for the disposition of the property was certainly flawed. However, it is debatable whether following the Charity Commission guidelines to the letter would have had any effect on the final outcome. In my view there was no financial loss to the Trust from this sale.

The result of eliminating very large and unsustainable debts enables the Trust to move forward with income generation, fund raising and grant funding to fulfil its objectives of preserving and maintaining the important historic buildings on the site.

APPENDIX 6: Comments from former trustees