

Summary of a Charity Trustee's role – The City of London Almshouses (1005857)

The City Corporation (the City), acting by the Court of Common Council (the Court) and committees to which functions of The City of London Almshouses (the Charity) have been delegated, is the sole trustee of the Charity. Therefore, all Members of the Court (or those committees) collectively perform that role to discharge the City's duties, and to exercise its powers, as trustee.

Each Member by virtue of their membership of the Court (and its relevant committees and sub-committees) has a duty to support the City to discharge its duties and in the exercise of its powers as trustee, by faithfully acting in accordance with the terms of reference of the relevant committee or sub-committee and the City's corporate governance framework. (Officers may also act under delegated authority).

All charity trustees must always act in the best interests of their charity and manage any conflicts of interest or loyalty accordingly. When Members of the Court (at the Court itself or across committees) are dealing with business associated with the Charity, they must ensure that the best interests of the Charity are paramount.

The City, as trustee, has the following main duties:-

1. To ensure the charity is carrying out its purposes for the public benefit.
2. To comply with the charity's governing documents and the law.
3. To act in the charity's best interests.
4. To manage the charity's resources responsibly.
5. To act with reasonable care and skill.
6. To ensure the charity is accountable.

The courts have developed principles of trustee decision-making which trustees should be able to show that they have followed. These are that in making decisions about their charity, trustees must:

1. act within their powers (i.e. consistent with the charity's objects and powers);
2. act in good faith, and only in the interests of the charity;
3. make sure they are sufficiently informed, taking any advice they need;
4. take account of all relevant factors;
5. ignore any irrelevant ones;
6. manage conflicts of interest;
7. make decisions that are within the range of decisions that a reasonable trustee body could make in the circumstances.

While the City is acting in its general corporate capacity as trustee of The City of London Almshouses Trust, the Charity Commission's guidance for local authorities when acting as a charity trustee is helpful in providing clarification where an organisation, such as the City in this case, must balance its competing duties and interests (available on the Charity Commission's website at : <https://www.gov.uk/government/publications/local-authorities-as-charity-trustees>; as is the Charity Commission's Conflicts of Interest Guidance, CC29 (also available on their website at: <https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29>).

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Comptroller & City Solicitor's Department