

Operation as a Trust and Social Enterprise

Trusts are bodies that are managed by trustees who cannot benefit from the trust, but act on behalf of the community for whose benefit the trust is set up. A trust deed identifies the beneficiaries, protects the social objectives and covers the terms under which an individual or organisation has given assets. As trusts can hold property or other assets for the community they can act as parent bodies to other associations. Transferring Aberglaslyn Hall to a trust would relieve the council of the ongoing liability for the site whilst ensuring that the facilities are preserved for future generations of Leicestershire children.

Trusts do not usually engage in any operational activities. A trust is a legal device that governs how assets given by an individual or organisation are to be preserved and used in the interest of the beneficiaries.

Given that the trust's primary purpose would be the security and use of the assets, the service operation could be provided by a social enterprise (community interest company). As a separate entity the Trust's assets would be unaffected should the social enterprise become insolvent at any time in the future.

Social enterprises are organisations run by their "stakeholders" and the governing body would be likely to include schools, members of staff and possibly members of the local community. Members would "incorporate" to form a distinctive corporate body, with a separate legal identity distinct from its members, in which all members are protected by limited liability. When they agree to become members they commit themselves to paying a fixed amount (generally £1) if the organisation is wound up with existing debt. The company could also obtain charitable status in order to be eligible for external grants, obtain tax exemptions and accrue a range of other benefits.