

# Regulator finds governance failures by the trustees of former Lancashire charity To Inspire

However, the Commission found no evidence funds were misappropriated.

To Inspire initially operated from Chaigley Manor in the Ribble Valley. The charity's purposes included providing support for children and young people in financial need, with a preference given to those living in the Borough of Hyndburn, Lancashire.

In 2001 the trustees sold Chaigley Manor for £625,000. There was considerable local interest in this decision as Chaigley Manor had been used and supported by people in Hyndburn since 1927. Funds from the sale were put into a trust fund and for a number of years only the annual interest from this was used to fund the charity's activities. This changed in 2009 when the charity approached the Charity Commission requesting revisions to the charity governing document. These were agreed and included widening the charity's objects allowing it to provide facilities for recreation.

From 2011, and from the point at which the charity moved to Stephen Park, the charity ran an outdoor leisure and activity centre in Gisburn Forest.

The Commission opened a compliance case into the charity in response to concerns about To Inspire's governance, how the proceeds of the sale of Chaigley Manor had been used, whether robust financial controls were in place and whether funds may have been misappropriated.

The Commission found no evidence that any funds were misapplied or misappropriated but the trustees failed to meet the governance standards expected of them from when the charity moved to Stephen Park. The trustees relied on information provided by an employee without any verification and had insufficient oversight of the charity's finances.

This lack of financial control and oversight by the trustees led to poor decision-making such as their failure to submit their accounts. Between 2012 and 2019 the trustees breached a legal duty to submit their financial information to the Commission, and this lack of transparency contributed significantly to the local concerns. The Commission's view is that, had the charity published this information, donors, beneficiaries, and others would have been able to understand the charity's activities, operating status and how the proceeds of the sale of Chaigley Manor were applied.

The Commission also found:

- When the charity moved to Stephen Park, money from the proceeds of sale from Chaigley Manor were applied towards the upkeep and development of that property as well providing activities at the site

- Activities for young people were provided at Stephen Park in line with the objects of the charity
- The charity effectively stopped operating in early 2015 after the majority of the funds received from the sale of Chaigley Manor had been spent.

As the charity was no longer operating, the Commission during 2019 provided advice and guidance to ensure the remaining funds were applied correctly. These instructions were not adhered to by the trustees, requiring the Commission to use its powers to ensure that the remaining £7,347 was transferred to another charity for the benefit of young people in the Hyndburn area.

To Inspire has now been removed from the register.

Tracy Howarth, Assistant Director of Casework at the Charity Commission, said:

The public rightly expects charities to make a real positive difference for the people they help or the cause they pursue. To Inspire, formerly Chaigley Trust, was launched in Hyndburn in 1927 to help children and young people and was well-loved and supported by the community over decades.

Unfortunately, the trustees failed to provide either the effective governance or financial oversight of their charity after they moved to Stephen Park. In doing so, the trustees let down their beneficiaries and people who cared about and supported the charity in the local area. This situation was made worse by the trustees' failure to be transparent about how the charity's funds were spent or communicate with the local community about its work after it moved to Stephen Park – leading to a considerable amount of worry and speculation in Hyndburn about what had happened. We hope other trustees consider this case carefully and take on board in particular the importance of continuing to communicate with the local community, even when a charity is experiencing difficulties.

**Ends**

### **Notes to Editors:**

1. The Charity Commission is the independent, non-ministerial government department that registers and regulates charities in England and Wales. Its purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society.
2. Between 2001 and 2011 the charity did not have a permanent base but continued to operate.
3. In 2009, the charity applied to the Commission for a scheme to change

its governing document. These changes included changing the name to To Inspire and widening the objects of the charity to allow it to provide facilities for recreation.

4. Trustees have independent control over, and legal responsibility for, a charity's management and administration. Internal financial controls are essential checks and procedures that help charity trustees meet their legal duties to safeguard the charity's assets. They also ensure the quality of financial reporting, by keeping adequate accounting records and preparing timely and relevant financial information. Read further information around [managing charity finances](#).