EXPLANATORY MEMORANDUM TO

THE DRAFT CHARITIES (CHEADLE ROYAL HOSPITAL, MANCHESTER) ORDER

2006 No. 921

1. This explanatory memorandum has been prepared by the Home Office and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Description

2.1 The draft Order brings into effect the provisions contained in a scheme of the Charity Commissioners made under section 17 Charities Act 1993 in connection with the governance and administration of the Cheadle Royal Hospital charity.

2.2 The purpose of the scheme is to amend the charitable objects to allow the charity to become a grant making organisation.

2.3 The scheme also sets out new powers to enable the charity to operate as a grant making organisation including a change of name to the CRH Charitable Trust.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 The scheme was first laid before Parliament in April 2002. After the expiration of the 40 day period, Patsy Calton MP tabled a prayer out of time with a motion that the instrument be withdrawn.

3.2 It was then noted that the wording in one of the recitals of the version of the scheme laid before the House varied from the wording in the scheme which was advertised in accordance with the requirements of the Charities Act 1993. There was no difference to the substance of the scheme, nevertheless it was withdrawn.

4. Legislative Background

4.1 Cheadle Royal Hospital was established by an Act of Parliament 48 Geo III cap.127 passed in 1808. Provisions to further regulate the administration of the charity were included in subsequent Acts of Parliament namely 5 Victoria Session 2.cap.i passed in 1842, 7 & 8 Victoria cap.xliii and The Manchester Royal Infirmary Act 1933 and in a Statutory Instrument, The Manchester Royal Infirmary (Cheadle Royal Hospital) Order 1949.

4.2 The Charity Commission has the power under section 17 Charities Act 1993 to make a scheme for the administration of the charity where it is satisfied that it should do so.

4.3 Such schemes can only alter the provisions made under Acts of Parliament if they are given effect by an Order of the Secretary of State and laid before Parliament.

5. Extent

5.1 This instrument applies to England and Wales.

6. European Convention on Human Rights

Paul Goggins MP, Parliamentary Under Secretary of State, has made the following statement regarding Human Rights:

In my view the provisions of the draft Charities (Cheadle Royal Hospital, Manchester) Order 2005 are compatible with the Convention rights.

7. Policy background

7.1 Cheadle Royal Hospital operated as a hospital institution for people suffering from mental illness. Following financial difficulties in the operation of the hospital and discussions with the Charity Commission, the hospital land was sold in the late nineteen nineties which enabled the charity's debts to be settled from the proceeds of sale. The capital value expended is now being replaced from income under the terms of a recoupment order directed by the Charity Commission.

7.2 The Act establishing the charity contains no precisely defined objects but the recitals to that Act (and the subsequent Acts) demonstrate that the purposes of the charity are for the provision and operation of a hospital institution. It is therefore necessary to utilise the provisions of section 17 of the Charities Act 1993 to make a scheme to provide the charity with new objects to enable it to operate in the future as a grant-making body and to change the name to the CRH Charitable Trust.

7.3 In May 2005 the Charity Commission gave public notice of the Scheme as required by the Charities Act 1993. No objections or comments were received.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as no impact on business, charities or voluntary bodies is foreseen. It affects Cheadle Royal Hospital only.

8.2 No impact on the public sector is foreseen.

9. Contact

Helen Morgan at the Home Office Tel:020 7035 0758 or e-mail: helenc.morgan@homeoffice.gsi.gov.uk can answer any queries regarding the instrument.