



Reverter of Sites Act 1987

1987 CHAPTER 15

2 [F¹Charity Commission's] schemes.

- (1) Subject to the following provisions of this section and to sections 3 and 4 below, where any persons hold any property as trustees of a trust which has arisen under section 1 above, the [F²Charity Commission] may, on the application of the trustees, by order establish a scheme which—
 - (a) extinguishes the rights of beneficiaries under the trust; and
 - (b) requires the trustees to hold the property on trust for such charitable purposes as may be specified in the order.
- (2) Subject to subsections (3) and (4) below, an order made under this section—
 - (a) may contain any such provision as may be contained in an order made by the High Court for establishing a scheme for the administration of a charity; and
 - (b) shall have the same effect as an order so made.
- [F³(3) The charitable purposes specified in an order made under this section on an application with respect to any trust shall be such as the Charity Commission consider appropriate, having regard to the matters set out in subsection (3A).
 - (3A) The matters are—
 - (a) the desirability of securing that the property is held for charitable purposes (“the new purposes”) which are close to the purposes, whether charitable or not, for which the trustees held the relevant land before the cesser of use in consequence of which the trust arose (“the former purposes); and
 - (b) the need for the new purposes to be capable of having a significant social or economic effect.
 - (3B) In determining the character of the former purposes, the Commission may, if they think it appropriate to do so, give greater weight to the persons or locality benefited by those purposes than to the nature of the benefit.]
- (4) An order made under this section on an application with respect to any trust shall be so framed as to secure that if a person who—
 - (a) but for the making of the order would have been a beneficiary under the trust; and

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- (b) has not consented to the establishment of a scheme under this section, notifies a claim to the trustees within the period of five years after the date of the making of the order, that person shall be paid an amount equal to the value of his rights at the time of their extinguishment.
- (5) The [^{F4}Charity Commission] shall not make any order under this section establishing a scheme unless—
- (a) the requirements of section 3 below with respect to the making of the application for the order are satisfied or, by virtue of subsection (4) of that section, do not apply;
 - (b) one of the conditions specified in subsection (6) below is fulfilled;
 - (c) public notice of the [^{F5}Commission's] proposals has been given inviting representations to be made to [^{F5} it] within a period specified in the notice, being a period ending not less than one month after the date of the giving of the notice; and
 - (d) that period has ended and the [^{F6} Commission has] taken into consideration any representations which have been made within that period and not withdrawn.
- (6) The conditions mentioned in subsection (5)(b) above are—
- (a) that there is no claim by any person to be a beneficiary in respect of rights proposed to be extinguished—
 - (i) which is outstanding; or
 - (ii) which has at any time been accepted as valid by the trustees or by persons whose acceptance binds the trustees; or
 - (iii) which has been upheld in proceedings that have been concluded;
 - (b) that consent to the establishment of a scheme under this section has been given by every person whose claim to be a beneficiary in respect of those rights is outstanding or has been so accepted or upheld.
- (7) The [^{F7}Charity Commission] shall refuse to consider an application under this section unless it is accompanied by a statutory declaration by the applicants—
- (a) that the requirements of section 3 below are satisfied with respect to the making of the application or, if the declaration so declares, do not apply; and
 - (b) that a condition specified in subsection (6) above and identified in the declaration is fulfilled;
- and the declaration shall be conclusive for the purposes of this section of the matters declared therein.
- (8) A notice given for the purposes of subsection (5)(c) above shall contain such particulars of the [^{F8}Commission's] proposals, or such directions for obtaining information about them, and shall be given in such manner, as [^{F9} it thinks] sufficient and appropriate; and a further such notice shall not be required where the [^{F10}Commission decides], before proceeding with any proposals of which notice has been so given, to modify them.

Textual Amendments

- F1** Words in s. 2(8) substituted (27.2.2007) by [Charities Act 2006 \(c. 50\)](#), s. 79(2), [Sch. 8 para. 82\(7\)](#); [S.I. 2007/309](#), art. 2, Sch.
- F2** Words in s. 2(1) substituted (27.2.2007) by [Charities Act 2006 \(c. 50\)](#), s. 79(2), [Sch. 8 para. 82\(2\)](#); [S.I. 2007/309](#), art. 2, Sch.

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- F3** S. 2(3)-(3B) substituted for s. 2(3) (18.3.2008) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 82(3)**; S.I. 2008/751, art. 2, Sch. (with art. 12)
- F4** Words in s. 2(5) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 82(4)(a)**; S.I. 2007/309, art. 2, Sch.
- F5** Words in s. 2(5)(c) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 82(4)(b)**; S.I. 2007/309, art. 2, Sch.
- F6** Words in s. 2(5)(d) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 82(4)(c)**; S.I. 2007/309, art. 2, Sch.
- F7** Words in s. 2(7) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 82(5)**; S.I. 2007/309, art. 2, Sch.
- F8** Words in s. 2(8) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 82(6)(a)**; S.I. 2007/309, art. 2, Sch.
- F9** Words in s. 2(8) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 82(6)(b)**; S.I. 2007/309, art. 2, Sch.
- F10** Words in s. 2(8) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 82(6)(c)**; S.I. 2007/309, art. 2, Sch.

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