



Report to	WDCO Meeting May 2025
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Report Title	Manor House Development Trust and London Development Trust Charity Merger Update
Report Date	15 May 2025

Background Docs

Discussion Paper Trustee Conference 25.01.25
Discussion Paper Q&A Trustee Conference 25.01.25
Road Map to Merger

1. Introduction

As many of you are aware, the London Development Trust (LDT) has been exploring a merger with its subsidiary charities, including Manor House Development Trust (MHDT). The aim is to improve financial transparency, increase funding opportunities, and ensure long-term sustainability — while preserving strong local involvement and identity.

The MHDT WDCO appointed Trustee and other MHDT Board Members have raised valid concerns about how this could affect local autonomy, representation, and ongoing partnerships. This document outlines the current progress, a brief summary of the thinking behind the merger, and what steps are being taken to ensure residents' voices continue to shape the future. Further more detailed information is contained in the attached background documents. Please note that due to GDPR legal requirements we are unable to share the Trustee Conference Minutes.

2. Why Consider a Merger?

This was succinctly summed up by Adrian Essex the MHDT Trustee selected by WDCO

The London Development Trust Group (LDT) proposes restructuring its financial reporting after two decades. Currently, separate reporting for local Trusts and the central organisation creates a misleading financial picture, hindering fundraising. The proposed change involves merging accounts for a unified view of LDT's finances, increasing transparency and streamlining accounting. Local Trusts would be replaced by incorporated local organisations with resident memberships, overseen by a Guardianship Group. This maintains local focus while reducing costs. Concerns about local identity and fundraising will be addressed through continued local presence and performance tracking. The restructuring aims to improve LDT's financial health and secure its future amidst sector-wide funding challenges.

Currently, each local trust reports its finances separately. This has led to:

- **A fragmented view of our financial health**, making it harder to secure large grants.



- **Duplicated administrative costs**, reducing funds available for frontline community work.
- **Missed funding opportunities**, including a recent £30K loss due to lack of consolidated accounts.

A merged structure would:

- Enable **unified financial reporting**, as preferred by funders.
- Create a larger organisation preferred by funders making larger community investments.
- Maintain **local identity and accountability** through resident-led governance.
- Reduce costs, increase resilience, and improve access to funding.

3. Progress So Far

A **6-month roadmap (March–September 2025)** is in place to carefully manage the process.

Below are key steps already taken:

- **March:** Trustee boards of both LDT and MHDT approved the start of the merger exploration.
- **Legal review** began to assess risks and obligations, especially around leases, funding agreements, and HR matters. Specialist legal advice is being provided by Blake Morgan LLP which are expert on Charity Mergers [London Law Firm | Solicitors London | Award Winning Firm](#). WDCO should note that MHDT no longer employs staff who were TUPE transferred to LDT just over 2 years ago.
- **Stakeholder notifications** have been communicated to Hackney Council, NHG, and across the wider LDT Group.
- We initiated **dialogue with the Charity Commission** to ensure all legal requirements are met. WDCO should note that there is the Memorandum and Articles of MHDT and LDT allow for merger to take place.

This month (May), the focus is on:

- Community engagement and formal stakeholder consultations.
- Developing local governance proposals, including a **“Guardianship Group”** made up of residents and local partners to maintain oversight.

4. Addressing Residents’ Concerns

We’ve listened carefully to feedback from WDCO and other stakeholders. Here’s how we are responding:



Concern: Loss of local identity and control

→ *Response:* The proposed structure includes **resident representation**, a dedicated Guardianship Group, and **preservation of local branding and activities**. Each local area will have a resident led local organisation. This may be already an already existing group such as a local TRA or may need to be formed but will not be a registered Charity. It is envisaged that these groups working with LDT will be able to draw down funding where a local presence is required as part of the funding criteria. Representatives of each local organisation will make up a London wide Guardianship Group to ensure consistency, accountability and strategic oversight

Concern: Confusion for funders or residents

→ *Response:* Funders increasingly prefer consolidated structures. We're developing **clear communications and role definitions** to ensure continuity and clarity for all.

Concern: Disruption to services and relationships

→ *Response:* LDT does not see any disruption to services our relationships with local groups like WDCO will remain central. LDT's SMT sees the merger as being beneficial to communities such as the residents on Woodberry Down.

Concern: Financial risks or lack of transparency

→ *Response:* A full financial breakdown will be shared with WDCO and other stakeholders before final decisions. **There will be no merger without due diligence and Trustee sign-off.** In the event that merger is not agreed then there would be no change to current arrangements however the issues outlined earlier in this report would remain.

Concern: That the Merger is a forgone conclusion

→ *Response:* Merger is not a forgone conclusion and dependent on Trustee agreement, permission from the Charity Commission and other stakeholders

5. Next Steps

Over the next few months, we will:

- Continue one-to-one and group **consultations with resident groups** including WDCO.
- Share a **draft merger model and financial summary** by July 2025.
- Attend and present to WDCO including a **Q&A session** to ensure transparency.
- Provide an opportunity for feedback and revisions before any final legal steps are taken.

6. Having a Say

We remain committed to a transparent, community-led process. WDCO's views will be taken on board when making the final decision.



A Future for London Development Trust and its Partnerships – Realising the Potential

Conference Discussion Paper

27th February 2025

1. Executive Summary: What we are trying to achieve

The London Development Trust Group (LDT) proposes restructuring its financial reporting after two decades. Currently, separate reporting for local Trusts and the central organisation creates a misleading financial picture, hindering fundraising. The proposed change involves merging accounts for a unified view of LDT's finances, increasing transparency and streamlining accounting. Local Trusts would be replaced by incorporated local organisations with resident memberships, overseen by a Guardianship Group. This maintains local focus while reducing costs. Concerns about local identity and fundraising will be addressed through continued local presence and performance tracking. The restructuring aims to improve LDT's financial health and secure its future amidst sector-wide funding challenges.

2. The Story So Far: Background to Manor House Development Trust and the Creation of London Development Trust

Our story starts in 2007 with the formation of Manor House Development Trust. Before either Berkely Homes or Notting Hill Genesis were appointed to work on the regeneration of Woodberry Down, MHDT was formed to lead the social and economic/social stewardship on the development. It was born from a previous central Government funding pot (Single Regeneration Budget) which had been used to buy out leaseholders from existing LBH council blocks to create shovel ready sites for development.

The original plan for the Trust was that it would run a community centre based on the first floor of the Tower 'The Residence' with rents from the parade of shops below on the ground floor providing long term and sustainable funding. While under construction the Trust ran the Robin Redmond Resource Centre at 440 Seven Sisters Rd. However following the credit crunch in 2008 and politics on the estate this plan changed and MHDT was awarded a long lease on the newly built Redmond Community Centre with a long term tapering grant (now ended) to help with running costs. From the beginning this grant would never be enough to pay for all the apparatus that a Trust would need to operate and provide community development services on the regeneration and MHDT sought over ways to supplement its income through grants and other associated social enterprises.

Major Grants

Well London 2008-11 - [Well London - Home](#)



Manor House Pact 2011-14 [Communities Living Sustainably: Behaviour Change Learning Summary](#)

Woodberry Down for Everyone 2014 – 2019 [WoodberryDown4Everyone_Final.pdf](#)

Social Enterprises

Woodberry Training Partnership CIC Construction Plant Training Company on site on WD

Brighter Environment CIC Youth Led Cleaning Company

Local Labour Hire CIC Company use for employing apprentices across the LBH Decent Homes Programme

Woodberry Blooms Ltd Florist on Woodberry Down and in BrewDog at Waterloo

Growing and becoming more successful MHDT formed mature relationships with stakeholders and was at the heart of the community on the ever-changing Woodberry Down Estate. In 2010 with the election of the Conservative/Lib Dem Coalition community development moved up the political agenda in the guise of the Big Society. The need to explain succinctly what a Development Trust does on Regeneration Estates led the Trust to adopt a Business Plan based on 5 Keystones* which in turn led it to achieve notable successes across the sector.

MHDT has had notable successes and won a number of national awards for its work on the estate including in 2016

A Queens Award for Sustainability

NatWest SE 100 – Impact Champions

However despite reputational and organisational success the development of new companies to subsidise the tapering core grant funding it had always been apparent that the running of one community centre would not be enough to sustain an apparatus needed to deal with the complex issues of social regeneration. Here, ‘apparatus’ describes the organisational infrastructure, (e.g. IT systems, staff management, charity governance and statutory policies) back office services (e.g. financial management, accounting services, insurances) as well as senior leadership (ensuring highly qualified and motivated teams are supported by leaders with industry knowledge, influential networks and specific expert knowledge).

In 2017 SMT was approached by London & Quadrant Housing Association and Countryside Housing to replicate the Woodberry Down experience on Acton Gardens Estate in LB Ealing including the leasing and managing of the Acton Gardens Community Centre.

MHDT Trustees agreed to this but were concerned that they would have no oversight of social sustainability on the other side of London. Likewise stakeholders in Acton were



worried that MHDT would ‘asset strip’ the community centre in the event of financial difficulties in Hackney. A decision was taken to set up (MHDT) London Development Trust a company owned by Manor House Development Trust. However this governance structure was clearly not efficient leading to difficulties in reporting and financial accounting. In addition by now MHDT had exhausted the majority of its core funding agreements and external grant makers were implying that Woodberry Down had received its fair share of grant funding.

A few months before the start of the pandemic and lock downs a decision was made to change the governance structure, secure new and diversified sources of income and form the London Development Trust.

3. London Development Trust

London Development Trust was set up to ensure sustainability of work on Woodberry Down and Acton Gardens as well as secure work on other major regeneration projects. The idea being that while one stand alone community organisation would not be able to afford a central apparatus several Trusts working collectively in partnership and part of a group structure would each contribute into a central pot to ensure financial sustainability. With sustainable finances in place LDT could then look for other more commercial opportunities to mitigate a reliance on grants.

The benefits have been evident with a LDT successfully negotiating the pandemic and post pandemic years and growing significantly.

Since its formation in 2019 LDT has seen significant growth, expanding its services, influence and reputation

4. OUR SERVICES AND CUSTOMERS

Community Development – LDT provides community spaces for hire, community projects that seek to empower local people and improve health, wellbeing and happiness of people in the places where we work.

The beneficiaries are community members and residents living in the areas where we run community centres and deliver community projects. These residents are often from diverse ethnic, cultural and class backgrounds. Currently LDT operates community centres in the London Boroughs of Hackney, Ealing, Greenwich and soon Barking and Dagenham. We have also previously operated in Brent and Islington.

Development Partners

LDT works with housing developers and partner with housing associations and local authorities to manage and run community spaces in housing regeneration areas and deliver community projects in these areas.

Our partners include: Housing associations L&Q, NottingHill Genesis; developers St George, Berkeley Homes, Vistry/ Countryside, Taylor Wimpey.

Research Consultancy



LDT develops bespoke research projects to address complex challenges related to people and the environment, social and cultural infrastructure and cohesion. We work with large research funders and government bodies such as the British Academy and Natural England to deliver socially engaged creative research exploring relationships between place and their environments. Additionally, LDT supplies advice and business plans for community development trusts and developers requiring strategies for community development.

Education and CPD

LDT is in the process of developing a suite of courses and accredited training to upskill cohorts of local residents, community leaders, and professionals in housing and development sectors. By fostering cross-sector collaboration and equipping participants with practical tools, the education/training programme aims to ensure meaningful community involvement in regeneration projects.

We have developed an MA-level CPD course 'Cities and Sustainable Development' (<https://www.mdx.ac.uk/courses/short-courses-and-cpd/-cities-and-sustainable-development/>) with Middlesex University and are in the process of developing a shorter online course as part of LDT's Sustainable Engagement, Education, and Development (SEED) programme to empower communities to shape their futures. We would like to develop a short online course that is open to all (undergraduate level) and an apprenticeship level course.

5. What are the benefits of LDT for the Group?

Professional apparatus – the LDT group has a highly respected and dedicated senior management team alongside local staff. It has changed its reporting styles to make it easier for Trustee involvement and scrutiny a bug bear across many charities. It has developed IT, Financial Management and HR systems – priding itself on its staff diversity and inclusive management processes ensuring that its workers are valued and mitigating against HR disruption from which other organisations in the sector suffer – for example last year staff took a 20% pay cut to ensure financial sustainability with not a single member of staff leaving, demonstrating the commitment and dedication of the team.

Ability to access grants (skills to bid for grants) – Since 2008 the current SMT has won well over £10million of grants to deliver its work. While the grant funding availability is currently a difficult environment LDT has bids worth around £2million currently being assessed by funders

Development of new products such as consultancy and training provision such as the MA Course (See Above)

Presence, resources and skills to operate on the national stage – LDT is now delivering services on a London wide basis and beyond working with clients such as Natural England; The British Academy.

- Relationship management – e.g. with housing associations and developers



- Sectoral leading best practice

6. But it hasn't been plain sailing!

Why we are proposing a merging of accounts

The London Development Trust Group (LDT) proposes restructuring its financial reporting after two decades. Currently, separate reporting for local Trusts and the central organization creates a misleading financial picture, hindering fundraising. The proposed change involves merging accounts for a unified view of LDT's finances, increasing transparency and streamlining accounting. Local Trusts would be replaced by incorporated local organizations with resident memberships, overseen by a Guardianship Group. This maintains local focus while reducing costs. Concerns about local identity and fundraising will be addressed through continued local presence and performance tracking. The restructuring aims to improve LDT's financial health and secure its future amidst sector-wide funding challenges.

The Legal Implications

While the proposal to restructure finances might be a simple one the legal implications for LDT MHDT are more significant and Trustees must weigh up very carefully if the proposed merger meets with Charity Commission expectations.

Initial legal comment was received from David Alcock at the Group's current solicitors Anthony Collins. David made the following points:

Legal Considerations for the Merger of LDT, MHDT, and AGDT

Scope of Proposals

- The proposal involves the **merger of all entities** (LDT, MHDT, and AGDT) into a single organisation, rather than just a change in financial reporting.
- The rationale behind the merger includes **simplifying accounting and management processes**, but detailed legal and governance implications must be considered.

Merging Charities: Legal Process and Considerations

- Mergers of charitable companies generally occur through an **Asset Transfer Agreement**, where one charity transfers all assets and liabilities to another, leaving the transferring charity as an **empty shell** that may be wound up.
- **Trustee obligations:** Each board (MHDT and AGDT) must independently assess whether the merger is in the best interest of their charity and beneficiaries, not just LDT.
- Detailed **terms of reference** should be developed for the new governance structures, including the **Guardianship Group** and local community bodies.
- The trustee composition of the merged entity must be clarified, particularly regarding **local representation and appointment processes**.



- A formal **resolution alone is insufficient** to authorize the merger—specific legal documentation will be required.

Charity Commission Guidance: Key Legal Considerations

- **Powers to merge:** Each charity's constitution allows for amalgamation with charities of similar objects, but MHDT's agreement may require consultation with third parties.
- **Registration of the merger:** While not mandatory, it may be necessary if future **legacies** to MHDT or AGDT are expected.
- **Closing the transferring charities:** If MHDT and AGDT dissolve post-merger, the necessary legal steps must be taken.
- **Accounting considerations:** The receiving charity (LDT) must properly integrate the merger into its financial reports.

Objects of the Charities: Legal Implications for Merger

- Charity mergers require **substantially aligned objectives**. However, LDT, MHDT, and AGDT have distinct objects:
 - **LDT** focuses on **social welfare, recreation, and community centres**.
 - **MHDT** has a broader urban regeneration focus but no geographical restrictions.
 - **AGDT** has **explicit urban regeneration and community development aims**, restricted to **Ealing**.
- **Potential legal solutions:**
 - MHDT and AGDT **could transfer assets to LDT**, but the use of those funds would be restricted based on LDT's current objects.
 - LDT could **expand its objects** to include regeneration (requiring Charity Commission approval).
 - AGDT could **modify its geographical limitation** to cover all of London, ensuring alignment.

7. Next Steps

- **Trustee consultations:** MHDT and AGDT boards must review governance and legal implications.
- **Legal structuring:** Consider whether to **amend LDT's objects** before the merger.
- **Third-party engagement:** MHDT must consult key stakeholders before proceeding.
- **Formal documentation:** Draft and execute the necessary **Asset Transfer Agreements**.

	Discussion Paper for LDT Conference – Questions Raised by Trustees	Summary of Discussion Paper provided by a Trustee <i>The London Development Trust Group (LDT) proposes restructuring its financial reporting after two decades. Currently, separate reporting for local Trusts and the central organisation creates a misleading financial picture, hindering fundraising. The proposed change involves merging accounts for a unified view of LDT's finances, increasing transparency and streamlining accounting. Local Trusts would be replaced by incorporated local organisations with resident memberships, overseen by a Guardianship Group. This maintains local focus while reducing costs. Concerns about local identity and fundraising will be addressed through continued local presence and performance tracking. The restructuring aims to improve LDT's financial health and secure its future amidst sector-wide funding challenges.</i>
1	Are the proposals public, or do you regard them as confidential?	Currently, the proposals are intended for the Trustees of the LDT Group only. However, the provided summary is an excellent reflection of what the paper seeks to achieve. Maintaining confidentiality ensures robust internal discussions before any external communication.
2	How much disruption would these changes cause, given recent adjustments?	The changes made over the last two years have led to more efficient reporting and management processes, supported by expert advice from Trustees. Redundancies have been kept to a minimum, reflecting broader financial challenges in the voluntary sector rather than internal decisions. This proposal aims to simplify future funding applications by consolidating financial reporting.
3	What are the cost implications versus benefits?	The proposed changes are not expected to significantly impact current costs, though there may be some savings on audits. The primary benefit is providing funders with a comprehensive view of the LDT Group's financial position, which is crucial for securing funding.
4	Have alternatives been considered including cross charging for staff?	Cross-charging staff time is one way to address transparency in annual accounting. However, it may not fully resolve all identified issues. Legal and financial opinions have been sought and will be shared once received. We welcome further suggestions prior to and during the conference.

<p>5</p>	<p>The current structure of the Trust was put in place to address other concerns e.g. I recall at the time worries that particular projects would have an adverse impact on the overall health of the Trust.</p>	<p>The current structure was developed to enhance oversight and transparency for funders and external stakeholders, rather than addressing risks from specific projects. This proposal builds on those principles and would present a clearer financial picture reflecting the breadth of work that is carried out.</p>
<p>6</p>	<p>Can the pros/cons of this proposal be elaborated?</p>	<p>The pros and cons have been assessed during annual accounting and through discussions with funders. For example, funders often require consolidated accounts, which the current structure does not provide. For example LDT lost £30K of funding this year with the Social Investment Business due to this issue. Further comment is being sought from both our solicitors and accountants.</p>
<p>7</p>	<p>What is the rationale behind local incorporated organisations?</p>	<p>Local organisations protect local interests and are essential for securing funding in many cases. However, these do not always need to be fully-fledged charities with complex accounting requirements. The aim is to streamline reporting while maintaining local focus and autonomy.</p>
<p>8</p>	<p>Could this structure confuse funders?</p>	<p>Funders generally require one set of accounts. The current LDT accounts do not present a complete picture, which has hindered fundraising. The proposed structure addresses this by providing a consolidated view of the Group's financial health.</p>
<p>9</p>	<p>Could the same challenges they are seeking to resolve be managed through local governance structures for e.g. local boards/committees whose purpose and interests are clearly defined in LDTs objects and appropriately protected?</p>	<p>If adopted, the proposal would aim to achieve this by clearly defining local governance roles within LDT's objects. This ensures alignment between local and central governance structures. We are currently seeking advice from our solicitor on how this could be adopted.</p>



10	How does the Guardianship Group differ from the Board?	The Guardianship Group acts as a broader stakeholder body, complementing the Board by focusing on strategic oversight and performance. Its responsibilities include appointing resident directors, upholding LDT values, and monitoring progress. The Group's role could be enshrined in the LDT Articles to formalise its function. Based on the historical Garden Town/Village oversight of community development it allows for greater resident involvement in the work of LDT as a whole.
11	Are there obligations with landlords for financial independence in local trusts?	Most contracts and leases are held by LDT, except for Woodberry Down and Manor House Development Trust. If adopted, discussions with LBH and Berkeley Homes will address the potential transfer of leases to LDT, ensuring compliance with existing obligations.
12	Should financial performance be clarified before amalgamation?	We are happy to provide detailed financial performance data for each part of the Trust to support decision-making. A timeline for sharing this information can be established to facilitate transparency.



Roadmap for Merging London Development Trust (LDT) and Manor House Development Trust (MHDT) – 6-Month Timeline

March 2025 to September 2025

This roadmap outlines a structured plan to achieve the merger of LDT and MHDT within six months, ensuring legal compliance, stakeholder engagement, and operational continuity.

Month 1: Planning and Legal Assessment

Key Actions:

- **Formal Trustee Approval**
 - Convene separate LDT and MHDT board meetings to pass resolutions approving the merger process.
- **Legal Due Diligence**
 - Engage legal advisors (specialising in charity mergers) to conduct a thorough review.
 - Assess governance documents, contracts, leases, and funding agreements.
- **Financial Reporting**
 - Extend Companies House Annual Financial reporting for 6 months to ensure sufficient time to produce merged accounts.
- **Charity Commission Consultation**
 - Submit an initial proposal to the Charity Commission for guidance on required approvals.
- **Stakeholder Notification**
 - Notify key stakeholders (e.g., Hackney Council, NHG, funders) of the intent to merge.
 - Discuss potential lease transfer permissions.

Deliverables:

- Board resolutions approving the merger process.
 - Accounting reporting period extended.
 - Legal report on feasibility and risks.
 - Initial engagement with the Charity Commission.
-

Month 2: Structural & Financial Alignment



Key Actions:

- **Asset Transfer Planning**
 - Identify all assets, liabilities, and contracts held by MHDT for transfer to LDT.
 - Draft an *Asset Transfer Agreement* (ATA).
- **Financial Reporting & Accounts Merger Strategy**
 - Review financial reporting requirements.
 - Develop a consolidated financial model aligning budgets, grants, and reporting structures.
- **Governance Transition Plan**
 - Define new board structure, including local representation.
 - Draft new *Terms of Reference* for any local oversight bodies (e.g., Guardianship Group).

Deliverables:

- Draft Asset Transfer Agreement.
 - Merged financial framework.
 - New governance structure proposal.
-

Month 3: Stakeholder & Community Engagement

Key Actions:

- **Formal Stakeholder Consultations**
 - Conduct meetings with Hackney Council, NHG, major funders, and community partners.
 - Secure necessary approvals for lease transfers and grant reassignment.
- **Community Communication Plan**
 - Develop a clear message for residents and community groups.
 - Hold public meetings and Q&A sessions to address concerns and expectations.
- **Operational Transition Planning**
 - Define how staff and local leadership structures will function post-merger.

Deliverables:

- Stakeholder agreement on lease and asset transfers.



- Community engagement materials.
 - Operational transition framework.
-

Month 4: Legal & Regulatory Approvals

Key Actions:

- **Finalise Asset Transfer Agreement**
 - Review and approve the legal documentation for asset transfer.
- **Submit Charity Commission Application**
 - Formal application for merger, including governance and financial changes.
- **Funders' Approval & Grant Transfer Process**
 - Ensure continued compliance with grant terms post-merger.
 - Obtain funder approvals for grants to be reassigned under LDT.

Deliverables:

- Signed Asset Transfer Agreement.
 - Charity Commission submission.
 - Grant reassignment approvals.
-

Month 5: Operational Integration & Transition

Key Actions:

- **HR & Employment Transfer (TUPE Process if Necessary)**
 - Finalise contracts for employees transitioning to LDT.
- **IT & Systems Integration**
 - Merge financial, HR, and operational systems.
- **Training & Onboarding**
 - Conduct training sessions for staff and Trustees on the new structure.
- **Final Trustee Approval of Transition**
 - Hold joint Trustee meeting to sign off on final integration steps.

Deliverables:

- TUPE/HR transition documentation.



- Integrated IT and financial systems.
 - Board approval of final transition.
-

Month 6: Implementation & Public Launch

Key Actions:

- **Final Legal Execution**
 - Complete the legal dissolution of MHDT and formal absorption into LDT.
- **Public Announcement & Branding Update**
 - Officially launch the newly structured LDT with clear messaging.
- **Monitor & Adjust**
 - Establish a post-merger review process to address any operational issues.

Deliverables:

- Legal completion of the merger.
 - Public announcement materials.
 - Post-merger review framework.
-

Key Risks & Mitigation Strategies

Risk	Mitigation Strategy
Lease transfer delays	Engage leaseholders early and provide required documentation.
Charity Commission approval issues	Ensure compliance with all legal and governance requirements.
Stakeholder resistance	Maintain open, transparent communication and involve stakeholders throughout.
Financial integration complexities	Conduct thorough due diligence and phased implementation.