

## **CHARITABLE TRUSTS, BEQUESTS AND TRUST FUNDS**

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### **1.0 EXECUTIVE SUMMARY**

1.1 The Helensburgh and Lomond Area Committee are Trustees for a number of Charitable Trusts, Bequests and Trust Funds. Historically a report has been brought to the Area Committee on an annual basis with recommendations for distribution.

1.2 Since the last report Officers have undertaken a review of the Charitable Trusts and Bequests and Trust Funds to simplify and update processes where possible and ensure ongoing compliance with charity regulations and the original terms of the bequests. The review has taken cognisance of the fact that a large number of the charitable funds managed in trust by Area Committees were established many years ago, and as a consequence of changes in society over time the intended beneficiaries of the bequests are no longer easily identified. It has also addressed concerns raised by Elected Members regarding the administrative burden of the management and distribution process and that changes to personnel and corporate structures may no longer facilitate the process. Consequently the recommendations within this report outline the proposals for updated and better streamlined processes.

1.3 This report provides details of a number of the Trusts and Bequests that remain active in the Helensburgh and Lomond Area and seeks agreement from Members on the proposed distribution methods.

### **2.0 RECOMMENDATIONS**

2.1 The Helensburgh and Lomond Area Committee are asked to:

1. agree that the charities and trust funds are awarded on the basis outlined in paragraph 7.1,
2. agree the distribution of the Charitable Trusts, Bequests and Trust Funds outlined within Appendix 1, and

3. note that proposals for the remaining Bequests and Trust Funds with no defined distribution will be brought to a future meeting of the Area Committee.

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### 3.0 INTRODUCTION

The Helensburgh and Lomond Area Committee are Trustees for 8 Charitable Trusts, Bequests and Trust Funds with an estimated unrestricted balance of £5.7k. This report provides information on proposals in relation to the ongoing management of these funds and seeks agreement on distribution proposals.

### 4.0 RECOMMENDATIONS

The Helensburgh and Lomond Area Committee are asked to:

1. agree that the charities and trust funds are awarded on the basis outlined in paragraph 7.1
2. agree the distribution of the Charitable Trusts, Bequests and Trust Funds outlined within Appendix 1, and
3. note that proposals for the remaining Bequests and Trust Funds with no defined distribution will be brought to a future meeting of the Area Committee.

### 5.0 BACKGROUND

- 5.1 Historically reports are prepared and submitted to Area Committees outlining the status of each of the Funds, proposed distribution method(s) and the amounts available.
- 5.2 Since the last report Officers have undertaken a review of the Charitable Trusts and Bequests and Trust Funds to simplify and update processes were possible and ensure ongoing compliance with charity regulations and the original terms of the bequests. The review has taken cognisance of the fact that a large number of the charitable funds managed in trust by Area Committees were established many years ago, and as a consequence of changes in society over time the intended beneficiaries of the bequests are no longer easily identified. It has also addressed concerns raised by Elected Members regarding the administrative burden of the management and distribution process and that changes to

personnel and corporate structures may no longer facilitate the process. Consequently the recommendations within this report outline the proposals for updated and better streamlined processes.

## **6.0 DISTRIBUTION ARRANGEMENTS**

6.1 Of the 8 Funds that the Area Committee are trustees for 7 have historically been awarded to Council Departments and allied partners (for example the Health and Social Care Partnership). Officers have been working to standardise the process for these awards to ensure that it is transparent and meets the terms of any Bequest/Trust.

6.2 Officers will continue to monitor the expenditure from these funds. Should expenditure not provide a community benefit Officers will explore what remedial action can be taken.

## **7.0 LEVEL OF AWARD**

7.1 In order to give a level of consistency to the process for those Bequests/Trusts which are transferred to Council Departments or allied partners it is proposed that the following criteria be applied:

- to allow for maximum benefit from the resources available, those Funds that hold less than £1k in unrestricted reserves (i.e. monies the charity has available to spend without drawing on capital or restricted reserves) will be made available, in their totality, within this financial year (2020/21). The capital will remain as this cannot be distributed. This approach will essentially place a moratorium on the distribution of monies from those funds, thereby lessening the administrative burden and ensuring maximum community benefit.
- those funds that hold more than £1k will be allocated on a basis of the interest from the previous financial year plus 1/20th of the unrestricted funds.

7.2 In respect of those awards which relate to school prizes, it is suggested that the level of each prize awarded should be £30 this is in line with those awarded in other areas. This will be paid by Finance on receipt of confirmation of the recipients from the school.

7.3 Should the Area Committee approve this approach up to £322.00 will be available to council departments and allied partners this financial year.

## **8.0 CONCLUSION**

8.1 This report has outlined the current position in terms of financial and distribution arrangements of the funds/bequests held in trust by the Area Committees. On approving the recommendations they will provide a clear community benefit while meeting our obligation of ensuring transparent and effective governance.

## **9.0 IMPLICATIONS**

9.1 Policy	None
9.2 Financial	None.
9.3 Legal	The Area Committee, as Trustees, must ensure that the distribution arrangements comply with the terms of the funds/bequests, failure to do so would result in the Council being liable.
9.4 HR	To proceed with reorganisation, in terms of section 10 or 11 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 would require the allocation of Officer time.
9.5 Fairer Scotland Duty	None
9.5.1 Equalities – protected characteristics	None
9.5.2 Socio-economic Duty	None
9.5.3 Islands	None
9.6 Risk	None
9.7 Customer Service	None

**Douglas Hendry**

**Executive Director with responsibility for Legal and Regulatory Support**

**27 July 2020**

**Policy Lead – Councillor Rory Colville**

**Appendix 1 – Distribution Arrangements for Trust Funds and Bequests.**

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