

**CHARITY AND TRUST FUNDS – ESTIMATED AMOUNTS AVAILABLE FOR  
DISTRIBUTION 2014-15**

<b>1</b>	<b>SUMMARY</b>
1.1	This report sets out the estimated funding available and proposals on the distribution of that funding for the charities and trust funds in the Bute and Cowal area for 2014-15.
<b>2</b>	<b>RECOMMENDATION</b>
2.1	To note the information provided on the value of charities and trust funds, the annual income and the amount proposed for distribution.
2.2	To approve the proposed approach to distribution as set out in paragraph 3.5 and in Appendix 1.
2.3	To agree the policy on reserves for each charity and trust fund as set out in paragraph 3.7
<b>3</b>	<b>DETAIL</b>
3.1	It is good practice to set out the estimated amount of income available for distribution in relation to the Council's charitable and trust funds. Appendix 1 sets out the estimated income available for distribution for charities and trust funds in the Bute and Cowal area for 2014-15. The Appendix also sets out the purpose of each charity and trust fund and proposals on distribution of available income. Paragraph 3.3 sets out the purpose of each charity and trust fund which sets the parameters for distribution of income. The proposed approach to distribution is summarised in paragraph 3.5. Finally paragraph 3.7 sets out a standard policy for adoption in relation to reserves.
3.2	Charitable and trust funds are either invested or deposited in the Council's Loans Fund and in both cases earn interest. In some cases the approach is a result of historic investment when the funds were created or simply recognition that the funds are too small to do anything with other than deposit them in the Council's Loans Fund. The Council agreed in October 2013 and January 2014 to change the basis of how these funds are invested and this is in the process of being implemented now. The key element in determining the amount of income is the value of the fund and the rate of interest earned. Interest rates have been exceptionally low for the last few years. In the main there no administration costs are charged to these funds although from 2014-15 each charity (not trust fund) will need to bear a share of the audit fee as a result of the Council external auditors now being required to audit these.

	<p>Where interest earned in previous has not been spent this is added to the value of the funds to earn interest and it can also be distributed. It is good practice to set out a policy in respect of these reserves.</p>																										
<p>3.3</p>	<p>There are a total of 3 charities and 8 trust funds in the Bute and Cowal area. The table below sets out the names and purpose of each charity and trust fund. The purpose sets the conditions or limitation on use of the funds and any income earned.</p> <table border="1" data-bbox="296 524 1230 824"> <thead> <tr> <th data-bbox="296 524 687 562">Name of Charity</th> <th data-bbox="687 524 1230 562">Purpose of Charity</th> </tr> </thead> <tbody> <tr> <td data-bbox="296 562 687 674">Norman Stewart Institute</td> <td data-bbox="687 562 1230 674">Physical, Religious, Moral, Social and Intellectual benefit of the industrial classes of Rothesay.</td> </tr> <tr> <td data-bbox="296 674 687 748">Marquess of Bute's Silver Wedding Dowry</td> <td data-bbox="687 674 1230 748">Girls from poorer classes of Bute upon their marriage.</td> </tr> <tr> <td data-bbox="296 748 687 824">Baillie Gillies Bequest</td> <td data-bbox="687 748 1230 824">Poor of Rothesay.</td> </tr> </tbody> </table> <table border="1" data-bbox="296 860 1211 1352"> <thead> <tr> <th data-bbox="296 860 687 898">Name of Trust Fund</th> <th data-bbox="687 860 1211 898">Purpose of Trust Fund</th> </tr> </thead> <tbody> <tr> <td data-bbox="296 898 687 936">Lamont Bequest</td> <td data-bbox="687 898 1211 936">Poor of Kilfinan.</td> </tr> <tr> <td data-bbox="296 936 687 1010">Dunoon &amp; Kilmun Cemeteries</td> <td data-bbox="687 936 1211 1010">Upkeep of lairs in Dunoon &amp; Kilmun.</td> </tr> <tr> <td data-bbox="296 1010 687 1048">Mrs B MacEwans Trust</td> <td data-bbox="687 1010 1211 1048">Upkeep of lairs in Inverchaolain.</td> </tr> <tr> <td data-bbox="296 1048 687 1122">Piano Fund Dunoon</td> <td data-bbox="687 1048 1211 1122">Repair, tuning, replacement of piano in Burgh Hall.</td> </tr> <tr> <td data-bbox="296 1122 687 1160">Tulloch Library Dunoon</td> <td data-bbox="687 1122 1211 1160">Public library.</td> </tr> <tr> <td data-bbox="296 1160 687 1198">Mary Millar Bequest</td> <td data-bbox="687 1160 1211 1198">Poor of Rothesay.</td> </tr> <tr> <td data-bbox="296 1198 687 1236">Bethia Weir Bequest</td> <td data-bbox="687 1198 1211 1236">Poor of Rothesay.</td> </tr> <tr> <td data-bbox="296 1236 687 1352">Provosts Bequest Rothesay</td> <td data-bbox="687 1236 1211 1352">Assist soldiers, sailors and airmen from the two World Wars from Rothesay.</td> </tr> </tbody> </table>	Name of Charity	Purpose of Charity	Norman Stewart Institute	Physical, Religious, Moral, Social and Intellectual benefit of the industrial classes of Rothesay.	Marquess of Bute's Silver Wedding Dowry	Girls from poorer classes of Bute upon their marriage.	Baillie Gillies Bequest	Poor of Rothesay.	Name of Trust Fund	Purpose of Trust Fund	Lamont Bequest	Poor of Kilfinan.	Dunoon & Kilmun Cemeteries	Upkeep of lairs in Dunoon & Kilmun.	Mrs B MacEwans Trust	Upkeep of lairs in Inverchaolain.	Piano Fund Dunoon	Repair, tuning, replacement of piano in Burgh Hall.	Tulloch Library Dunoon	Public library.	Mary Millar Bequest	Poor of Rothesay.	Bethia Weir Bequest	Poor of Rothesay.	Provosts Bequest Rothesay	Assist soldiers, sailors and airmen from the two World Wars from Rothesay.
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<p>3.4</p>	<p>Appendix 1 sets out the following information on each charity and trust fund.</p> <ul style="list-style-type: none"> <li>• Name of the charity or trust fund.</li> <li>• Purpose of the charity or trust fund.</li> <li>• The capital or restricted value of the charity or trust fund.</li> <li>• Unrestricted funds or revenue reserves –this is accumulated unspent income that can be distributed and for which there should be a reserves policy.</li> <li>• Total value of both restricted and unrestricted funds – this is the amount that is invested/deposited to earn income.</li> <li>• Estimated income - the amount of income it is estimated each charity or trust funds will earn for 2014-15.</li> <li>• Estimated audit fees – this is the allocation of the charities audit fee to each charitable fund.</li> <li>• Proposed use of revenue reserves – the amount of unrestricted or revenue reserves it is proposed to make available for distribution in 2014-15.</li> <li>• Proposed amount for distribution – the total amount available for</li> </ul>																										

	<p>distribution in 2014-15.</p> <ul style="list-style-type: none"> <li>• Distribution proposal – how it is proposed to distribute the income in 2014-15.</li> <li>• Reserves policy – A narrative setting out the proposed reserves policy.</li> </ul>																
3.5	<p>Appendix 1 has been grouped to bring charities and trust funds which have a similar purpose together. This allows members to consider the distribution of all funds with a similar purpose together. In summary the proposals on distribution are as follows:</p> <p>Cemetery Funds - The amount available for distribution is transferred to Roads and Amenity Services. Roads and Amenity Services to provide a statement setting out expenditure in each cemetery.</p> <p>School Prizes - The amounts available for distribution are paid to the relevant school funds with the school producing a statement showing how the money has been used.</p> <p>Poor Funds - The amount proposed for distribution for poor funds in each specific area will be pooled and a set number of beneficiaries provided with a voucher at a level that utilises the funding available. See para 3.6 for more detail.</p> <p>Library Funds - The amount available for distribution is transferred to Community and Culture who present a statement setting out how the funds have been used.</p> <p>Other Funds - Specific proposals are set out in Appendix 1.</p>																
3.6	<p>The proposals for distribution of poor funds are as follows:</p> <table border="1" data-bbox="296 1447 1390 1677"> <thead> <tr> <th data-bbox="296 1447 722 1485">Rothesay</th> <th data-bbox="722 1447 1390 1485">Proposed Amount for Distribution 14/15</th> </tr> </thead> <tbody> <tr> <td data-bbox="296 1485 722 1523">Baillie Gillies Bequest</td> <td data-bbox="722 1485 1390 1523">£239</td> </tr> <tr> <td data-bbox="296 1523 722 1561">Mrs Mary Millar Bequest</td> <td data-bbox="722 1523 1390 1561">£2</td> </tr> <tr> <td data-bbox="296 1561 722 1599">Bethia Weir Bequest</td> <td data-bbox="722 1561 1390 1599">£13</td> </tr> <tr> <td data-bbox="296 1599 722 1637">Provosts Bequest Rothesay</td> <td data-bbox="722 1599 1390 1637">£41</td> </tr> <tr> <td data-bbox="296 1637 722 1677">Total</td> <td data-bbox="722 1637 1390 1677">£295</td> </tr> </tbody> </table> <table border="1" data-bbox="296 1715 1390 1792"> <thead> <tr> <th data-bbox="296 1715 722 1753">Kilfinan</th> <th data-bbox="722 1715 1390 1753">Proposed Amount for Distribution 14/15</th> </tr> </thead> <tbody> <tr> <td data-bbox="296 1753 722 1792">Lamont Bequest</td> <td data-bbox="722 1753 1390 1792">£296</td> </tr> </tbody> </table> <p>For both Rothesay and Kilfinan local members to identify people who meet the criteria of poor and the sums available for distribution will be allocated on an equal basis and paid by voucher.</p>	Rothesay	Proposed Amount for Distribution 14/15	Baillie Gillies Bequest	£239	Mrs Mary Millar Bequest	£2	Bethia Weir Bequest	£13	Provosts Bequest Rothesay	£41	Total	£295	Kilfinan	Proposed Amount for Distribution 14/15	Lamont Bequest	£296
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3.7	Each charity and trust fund should have a reserves policy. In the past funds (reserves) have been built up. There is a balance to be achieved between distributing all of these available funds over a short period of time and maintaining overall funds at a level to ensure future income is maintained. It is proposed that the revenue reserves of each fund are distributed at the rate of 1/20 <sup>th</sup> so that over a 20 year period the revenue reserves are utilised.
<b>4</b>	<b>CONCLUSION</b>
	This report sets out the estimated income for each charitable and trust fund and a proposed basis of distribution.
<b>5</b>	<b>IMPLICATIONS</b>
	5.1 Legal – Proposes proper use of charity and trust funds 5.2 Policy - Sets proposed approach to distribution 5.3 Finance – Proposals for use of income set out in report. 5.4 Human Resources - None 5.5 Equalities - None 5.6 Risk - None 5.7 Customer Service - None

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