

Report

Report to:	Finance and Corporate Resources Committee
Date of Meeting:	27 September 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Governance of Charitable Trust Funds – 2022/2023 Position
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1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ inform Committee of the current status of the Trust Fund modernisation as well as the financial status of the Charitable Trust Funds administered by the Council

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the contents of this report are noted.

3. Background

- 3.1. On 25 April 2018, the Finance and Corporate Resources Committee approved a proposal to modernise the Charitable Trust Funds. This included establishing governance arrangements as well as a formal constitution. 2 new charities with modern and appropriate constitutions were established in December 2019, with the transfer of funds to these from the old trust funds being subject to approval by OSCR. The process of modernisation is ongoing and until that exercise is complete reports on this matter will continue to be reported to this Committee.
- 3.2. For the purposes of reporting to the Office of the Scottish Charity Regulator (OSCR), South Lanarkshire Council had grouped the individual trusts funds into 3: South Lanarkshire Council Charitable Trusts; South Lanarkshire Council Educational Trusts; and East Kilbride Information Technology Centre Trust.
- 3.3. This paper will provide an update on the modernisation process (section 4) and an annual report on the financial position of the three Trust Funds as at 31 March 2023 (section 5).

4. The Modernisation of the Trusts

- 4.1. At a meeting of this Committee on 7 September 2022, it was noted that OSCR had approved the re-organisation of 6 funds relating to the Leadhills area, 11 Hamilton area funds, 17 Clydesdale area funds and 18 Educational funds.
- 4.2. It was further noted that an application for the re-organisation of one Cambuslang and Rutherglen area fund had been submitted to OSCR on 5 August 2022 and that work was ongoing to draft applications to OSCR for the re-organisation of the Rutherglen Mortified Money fund and 7 East Kilbride Area funds.

- 4.3. As of end August 2023, OSCR has approved the following applications:-
- ◆ Cambuslang and Rutherglen Area Funds (30 August 2022)
 - ◆ East Kilbride Area Funds (8 December 2022)
 - ◆ Rutherglen Mortified Money Fund (17 January 2023)
 - ◆ John Adams Memorial Fund (12 June 2023)
- 4.4. As the John Adams Memorial Fund had been used historically to make payments to Hamilton Grammar School the application was to re-organise it by transferring the funds to The South Lanarkshire Educational Trust rather than The South Lanarkshire Charitable Trust.
- 4.5. Following the approvals referred to above and the expenditure of the remaining balance of The East Kilbride Information Technology Centre Trust (refer section 5.2), the only funds remaining in the old trust funds are those of the Loudon Bequest that remain in The South Lanarkshire Council Charitable Trust.
- 4.6. The funds of the Loudon Bequest will be transferred to The South Lanarkshire Charitable Trust as soon as approval is received from OSCR. It is anticipated that this will take place during 2023/2024.
- 4.7. The two new Trusts (The South Lanarkshire Charitable Trust and The South Lanarkshire Educational Trust) each have an appointed set of Trustees who are responsible for the governance of the funds that have been re-organised.

5. Summary of Financial Position for 2022/2023

- 5.1. No payments were made from the South Lanarkshire Council Charitable Trusts or the South Lanarkshire Educational Trusts during 2022/2023 as the process of re-organising the funds was underway.
- 5.2. At a meeting on 3 October 2022, the Trustees of the East Kilbride Information Technology Centre agreed that remaining balance of the funds amounting to £0.027 million fund would be used to fund a new Digital Support Service for digitally excluded young people in the former East Kilbride District Council area. This was provided with the support of South Lanarkshire College in East Kilbride and the funds were used to purchase 38 laptops.
- 5.3. The opening balance of the 3 reported Charitable Trust Funds, as at 1 April 2022 totalled £1.161 million. Following the transfer of funds to the 2 new Trusts and the expenditure from The East Kilbride Information Technology Centre Trust, the balance as at 31 March 2023 was £0.935 million, being the remaining balance on The South Lanarkshire Council Charitable Trusts.
- 5.4. The accounts for the 3 funds, including those with no remaining funds as at 31 March 2023, were approved for Audit by the Risk and Audit Scrutiny Committee on 27 June 2023. The Audit is ongoing.

6. Employee Implications

- 6.1. None.

7. Financial Implications

- 7.1. All financial implications arising from the Trust review can be met by the Trust Funds.

8. Climate Change, Sustainability and Environmental Implications

- 8.1. There are no direct climate change, sustainability and natural environment implications arising from this report.

9. Other Implications

- 9.1. There is a risk that the funds of the Trusts are not used for the purpose that they were intended. To mitigate this risk, the governance arrangements approved by Finance and Corporate Resources Committee and to be put in place formally via OSCR, will ensure appropriate distribution of funds. In addition, OSCR also receive an annual report on the Trusts and their purpose.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. There is no requirement to carry out an impact assessment in terms of the information contained in this report.
- 10.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning

Executive Director of Finance and Corporate Resources

28 August 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Finance and Corporate Resources Committee, 25 April 2018
- ◆ Finance and Corporate Resources Committee, 19 September 2018
- ◆ Finance and Corporate Resources Committee, 7 August 2019
- ◆ Finance and Corporate Resources Committee, 19 August 2020
- ◆ Finance and Corporate Resources Committee, 1 September 2021
- ◆ Finance and Corporate Resources Committee, 7 September 2022

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:

Jackie Taylor, Head of Finance (Strategy)

Ext: 5637 (Tel: 01698 455637)

E-mail: jackie.taylor@southlanarkshire.gov.uk