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## NORTH AYRSHIRE COUNCIL

21 February 2023

### Cabinet

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**Title:** Educational Trust Funds

**Purpose:** To advise Cabinet on the anticipated annual income and expenditure of the Charitable Trusts administered by the Education Service and seek approval for the level of funding to be made available for disbursement during 2022/23 academic session.

**Recommendation:** That Cabinet:

- a) Approves the 2022/23 revenue estimates for the Charitable Trusts detailed in Section 2.3.
- b) Approves the amounts available for disbursement noted at paragraph 2.3; and
- c) Agrees to capital spend from the dormant and low value Trusts.

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### 1. Executive Summary

- 1.1 The Education Service is the custodian of a number of Charitable Trusts, which are largely composed of bequests made many years ago.
- 1.2 The Charitable Trusts make annual disbursements of grants to schools. The level of funding available for these grants is normally set at the net annual income of each Fund or Trust after meeting their expenditure commitments.
- 1.3 However, over the past few years, the smaller Charitable Trusts' income has declined to such an extent that no disbursements have been possible.
- 1.4 In order to encourage the utilisation of funds across school communities, where the Trusts have been dormant or have low levels of income, it is recommended that, the full balance of the Trusts are approved as available for disbursement. Any disbursement which utilises the full capital balance will result in closure of that Trust.

### 2. Background

Charitable Trusts:

- 2.1 The Education Service administers a number of Trusts which are largely composed of bequests made many years ago by local citizens wishing to support schools to provide annual prizegiving awards for children and young people.

- 2.2 A number of Trusts have experienced periods of dormancy where no grants have been disbursed, in the main due to there being no or very little interest gained. This has been further exacerbated by the recent pandemic restrictions. If no other action is taken, the annual external audit fee and administrative charges will eventually exhaust these Trusts.

It is therefore recommended that the full balances of the minor Trusts are made available for disbursement to the relevant schools. It should be noted that any disbursement which would result in the winding up of a registered Trust must be approved by the Office of the Scottish Charity Regulator (OSCR). However, none of the Trusts detailed in Section 2.3 are registered with OSCR.

- 2.3 The following table summarises the anticipated income and expenditure for each of the Charitable Trust and the proposed budget for grant disbursement for each.

	Estimated Balance at 01 April 2022	Estimated Income 2022-23	Estimated Expenditure 2022-23	<b>Proposed Disbursement</b>	Estimated Balance at 31 March 2023
Stewart Prize	25.25	0	0	25.25	0
Wm Ainsworth Fund	338.62	0.26	0	338.88	0
Kemp School Prize Fund	326.85	0.05	0	326.90	0
John Parker Legacy	382.19	0.50	0	382.69	0
Henry L Russell Fund	220.68	0.29	0	220.97	0
George Hendry Fund	180.43	0.24	0	180.67	0
Mgt A F Patrick Fund	60.62	0	0	60.62	0
Grace B Boyd Fund	293.88	0.01	0	293.89	0
Jean C McKenzie Prize	108.97	0.01	0	108.98	0
M & W Birds Trust	409.01	0.28	0	409.29	0
J O Porter Prize	180.25	0.24	0	180.49	0

The Charitable Trusts detailed in the above table generate around £2 of income per year and during 2021/22 there have been no disbursements. Therefore, the full balance is available for disbursement during 2022/23.

A number of the Charitable Trusts have external investments attached to them. However, after having carried out all reasonable checks to identify these investments, there is no paperwork held within Education or Legal Departments.

Please find information below which shows the Trusts and the school/s they are linked with:

NAME OF FUND	RELATED SCHOOL
Stewart Prize	Largs Academy
Wm Ainsworth Fund	Auchenharvie Academy
Kemp School Prize Fund	Schools in Ardrossan, Saltcoats and Stevenston
John Parker Legacy	Irvine Royal Academy, Glebe and Woodlands Primary Schools
Henry L Russell Fund	Caledonia Primary School
George Hendry Fund	Largs Academy
Mgt A F Patrick Fund	Auchenharvie Academy
Grace B Boyd Fund	Auchenharvie Academy
Jean C McKenzie Prize	Stanley Primary School
M & W Birds Trust	Auchenharvie Academy
J O Porter Prize	Irvine Royal Academy

### **3. Proposals**

3.1 It is proposed that Cabinet:

- a) Approves the 2022/23 revenue estimates for the Charitable Trusts detailed in Section 2.3.
- b) Approves the amounts available for disbursement noted at paragraph 2.3; and
- c) Agrees to capital spend from the dormant and low value Trusts.

### **4. Implications/Socio-economic Duty**

#### **Financial**

4.1 Approval of the 'proposed disbursement' amounts to be given to the individual schools will allow each school establishment to allocate the remaining Trust funds for appropriate educational purposes.

#### **Human Resources**

4.2 None.

#### **Legal**

4.3 All expenditure from Trusts must be for the purposes of the Trust, benefitting the relevant schools.

#### **Equality/Socio-economic**

4.4 None.

## **Climate Change and Carbon**

4.5 None.

## **Key Priorities**

4.6 This report directly supports the Council Plan 2019 to 2024 by supporting active and strong communities through the disbursement of grants to school groups and individuals.

## **Community Wealth Building**

4.7 None.

## **5. Consultation**

5.1 Legal Services and Corporate Finance have been consulted on the recommendations and procedures for winding up the Trusts.

Audrey Sutton  
Executive Director (Communities & Education)

For further information please contact **Alison Mair, Business Manager**, on **(01294) 324409**.

## **Background Papers**

None.