

Trust Funds

Council

Date: 18th May 2012

Author: Cabinet Member for Finance and Director of Finance

Parish / Wards Affected: All

Purpose

- To propose an agreed delegation process to channel future decisions relating to the Trust Funds managed by the Council.

Recommendation

Council is asked to agree that:

- The Cabinet Members for Finance and Children's Services be appointed to act as Trustees on behalf of the Council in relation to the Trust Funds managed by the Council.

1. Reasons

- 1 The Council is responsible for the administration of a number of Trust Funds. These trusts were historically bequeathed to the Council in its earlier incarnations (such as either Wiltshire County Council or Thamesdown Borough Council) with the expectation that it would manage the funds and award grants.
- 2 At present, all Council Members are effectively the Trustees of the Trust Funds as the scheme of delegation does not name specific members. In order that officers can engage with a smaller group of members to clarify the appropriate use of the Funds, it is recommended that two members be specifically appointed to act as Trustees for this purpose. In carrying out that function, they will consult as appropriate with relevant officers, Lead Members and ward members.

2. Detail

- 2.1 The Council holds 22 separate Trust Fund balances totalling £414k as at 31/3/11. Only 4 of these Funds are actively managed with almost two-thirds of the overall value contained within just three funds. 7 funds are registered with the Charity Commission. The oldest funds date back over 100 years.
- 2.2 When money is bequeathed to be managed as a Trust Fund, only the annual income (normally investment interest) can be spent, with the original sum being maintained in perpetuity. The reasons for the limited use of some funds is that the annual interest used has been negligible,

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that the underlying expected use of the funds is now out of date and no longer relevant or that it is not known what the intended use was.

- 2.3 Over time, various Chief Officers have been given delegated authority to manage the affairs of the Trust Funds on behalf of the Council and that delegated authority currently sits with the Director of Finance.
- 2.4 In the context of Stronger Together, officers have reviewed the use of the Trust Funds and wish to propose a number of changes that maintain the spirit of the original Trust Fund intentions but modernises the proposed use of the funding. In addition, where the designated purpose of a Trust Fund is not known or the balance is so small that very little can be done with the money, it is intended that permission is sought from Members and the Charities Commission (where appropriate) to either redefine the use of the Fund or roll up a number of small funds into a larger pool that have similar purposes.
- 2.3 As these changes are likely to be quite detailed, it is proposed that officers liaise with a smaller group of Members rather than the Full Council on the changes and that any decisions are made following appropriate consultation with relevant officers, Lead Members and ward members . As the majority of the Trust Funds have objectives linked with young people, it is recommended that the Cabinet Members for Finance and Children's Services are appointed to act on behalf of the Council as Trustees of the funds.

Alternative Options

- All Members of the Council could consider the detailed changes to the management of Trust Funds and agreement to these changes would continue to be dealt with by Council.

Risk Management

Financial and Procurement Implications

- It is proposed that the changes to the purpose and use of the Trust Funds would enable a larger sum of funding to be made available to the Community and be more closely aligned to the core principles of Stronger Together. However, the proposed change to the governance of the Trust Funds by Members has no financial implications.

Legal / Human Rights Implications

- The Charities Commission would need to be notified of proposed changes to those Trust Funds registered with it and having a formal process to engage with Members on specific details of the Trust Funds would better satisfy the need to formally report on the use of all Trust Funds on at least an annual basis.

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- A Diversity Impact Assessment (DIA) has not been done as this report does not make any recommendations that affect services. However, any proposed changes to the use of Trust Funds will be assessed and reported in any future Cabinet Member Decision Notes.

Links to Corporate Plans and Policies (in particular to Swindon 2010 Promises)

- Any proposal to modernise the current objectives of the Trust Funds will enable officers to better align those objectives to its Corporate Plans, where appropriate.

Consultees

- The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

Background Papers and Appendices

- Trust Fund Balances and terms of reference.

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