
Report To:	Inverclyde Council as Trustee of Watt Institution Trust Fund	Date:	2 March 2023
Report By:	Honorary Treasurer	Report No:	FIN/16/23/AP
Contact Officer:	Alan Puckrin	Contact No:	712090
Subject:	Valuation of Moveable Heritage Assets		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to ask the Council, in its capacity as sole trustee (the Trustee) of the Watt Institution Trust Fund, to agree to allocate up to £20,000 from the unallocated Trust balance of approximately £40,000 towards the appointment of suitably experienced experts to assist in the valuation of the Trust's heritage assets.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Council, in its capacity as sole trustee of the Watt Institution Trust Fund, agree to allocate up to 50% of the costs or £20,000, whichever is the lower, from the unallocated Trust balance towards the appointment of suitably experienced experts to assist in the valuation of the Trust's heritage assets.

Alan Puckrin
Honorary Treasurer

3.0 BACKGROUND AND CONTEXT

- 3.1 Included within the 2021/22 Annual Audit Report for the Council was for officers within Finance and Cultural Services to progress a revaluation of the heritage assets prior to the closure of the 2022/23 Accounts.
- 3.2 The Council's heritage assets are valued at £18.0million within the 2021/22 accounts but have not been formally revalued since 2012. The audit concern being that asset valuations are significantly out of date. Having reviewed the previous valuation, current records and spoken to a number of other Councils regarding this matter, it is clear that the Council will require external expert assistance in progressing this action.
- 3.3 The significant majority of heritage assets included within the Council's accounts are held on behalf of the Watt Institution Trust Fund. The objective of the Watt Institution Trust Fund is, " to hold and apply the investments and income thereof for the maintenance, preservation, repair, improvement and furnishing of the land and buildings and of the fixtures and fittings and for the provision, safekeeping and repair of suitable books and objects for the Library and Museum".
- 3.4 Officers do not expect that a full valuation of all relevant assets will be completed for the 2022/23 Accounts and are in discussions with the Council's new External Auditors regarding the approach it is proposed to take, however, identifying and valuing the most valuable assets is the current approach being pursued.
- 3.5 The Corporate Director, Education, Communities & OD and the Interim Director, Finance and Corporate Governance are supporting relevant officers to ensure as much progress as possible is made for incorporation within the 2022/23 Accounts.

4.0 PROPOSALS

- 4.1 Costs to complete the audit action can only be estimated at this time and will depend on the level of resource within Cultural Services which can be allocated to this task on top of current duties. However, based on indicative costs from a Council which has recently undertaken a similar exercise, an allocation of £40,000 is proposed.
- 4.2 Given the objectives of the Trust, it is proposed that 50% of the costs or £20,000, whichever is the lower, come from the unallocated balance of the Watt Institution Trust Fund of approximately £40,000, with the with the balance of the costs coming from the Council's Insurance Fund.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation is agreed:

SUBJECT	YES	NO	N/A
Financial	x		
Legal/Risk	x		
Human Resources		x	
Strategic (LOIP/Corporate Plan)		x	
Equalities & Fairer Scotland Duty			x
Children & Young People's Rights & Wellbeing			x
Environmental & Sustainability			x
Data Protection			x

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Watt Institution Trust Fund	Other Expenditure	2023/24	Up to £20,000		Matching contribution from the Council's Insurance Fund

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

5.3 Legal/Risk

The proposed use of the Watt Institution Trust Fund is in line with the Trust's objectives, and is therefore appropriate as the activity to be funded will directly contribute to the safekeeping of its assets. Elected members have separately been given training on the legal duties of charity trustees.

The scale of this exercise is currently unknown and will be the subject of regular dialogue with the Council's External Auditors.

5.4 Human Resources

There are no HR implications.

5.5 Strategic

There are no strategic implications.

6.0 CONSULTATION

6.1 The proposal in this report is supported by the Corporate Director, Education, Communities & OD. The Head of Legal & Democratic Services has been consulted.

7.0 BACKGROUND PAPERS

7.1 2021/22 Annual Audit Report – Inverclyde Council 10 November 2022.