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<b>Report To:</b>	<b>Trustees of Council's Trusts</b>	<b>Date:</b>	<b>7 October 2010</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/56/10/AP/GJ</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Review of Council's Miscellaneous Trust Funds</b>		

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## 1.0 PURPOSE

1.1 The purpose of this report is to ask the Trustees:

- a) To consider the review by the Chief Financial Officer of the Council's miscellaneous trust funds, and
- b) To approve the proposals for the use of the funds.

## 2.0 SUMMARY

2.1 The Council has 12 miscellaneous trust funds for which it is the sole trustee. Most are inactive. All have very small balances and income. The value of the funds in aggregate amounts to £12,450. None are Scottish registered charities.

2.2 11 of the 12 trusts were formed some considerable time ago and the effect of inflation over time has greatly eroded their value. The other fund was received at local government reorganisation and its monies were largely distributed in the first couple of years of Inverclyde Council.

2.3 The continuing effect of inflation on the diminishing value of the trust funds and the very limited purchasing power of the annual awards means that it is now an appropriate opportunity to consider whether the funds should continue in their present form. An additional factor to be considered is the disproportionate amount of time spent on the administration and governance of the amounts of money involved.

2.4 A single one-off distribution of the entire monies to suitable beneficiaries in the spirit of the original bequests would provide more meaningful awards and would put inactive funds to good use. It would be appropriate to take the decision now to distribute the funds to people who will benefit generally in accordance with the wishes of the various granters, where it has been possible to identify this. Appendix 1 shows officer recommendations for each of the 12 trusts.

## 3.0 RECOMMENDATION

3.1 It is recommended that the Trustees:

- a) Consider the proposals contained in Appendix 1.
- b) Delegate the disposal of funds to the Chief Financial Officer.

Alan Puckrin  
Chief Financial Officer

#### 4.0 THE MISCELLANEOUS TRUST FUNDS OF THE COUNCIL

4.1 The Council has 12 miscellaneous trust funds for which it is the sole trustee. 11 of the 12 trusts have arisen as a result of gifts or bequests some considerable time ago to the “provost, magistrates and councillors” of the predecessor councils or corporations. The value of these bequests has been considerably eroded by inflation over time and now the trusts have very small balances and income. The other fund was received at local government reorganisation and its monies were largely distributed in the first couple of years of Inverclyde Council.

4.2 The 12 trust funds are:

- Greenock Schools Penny Savings
- Kilmacolm Wings for Victory
- Gamble Institute Endowment
- Miss MA Blues' Estate
- Gibson Award Supply Fund
- Anonymous Donor Prize Fund
- Lindsay Prize Fund
- Johnstone Trophy Fund
- St. Stephen's Jericho Award
- Miss Amy Lunt Memorial Fund
- Paul Mortification, and
- MacDougall Fund

4.3 The trust funds have balances that in aggregate amount to £12,350. The funds are invested with the Council's Loans Fund and receive interest annually. 9 of the trust funds have been inactive since 1996 at least. 3 funds make annual awards and in 2009-2010 this in aggregate amounted to £10.

4.4 The continuing effect of inflation on the diminishing value of the trust funds and the very limited purchasing power of the annual awards indicate it is now an appropriate opportunity to consider whether the funds should continue in their present form. An additional factor to be considered is the disproportionate amount of time spent on the administration and governance of the amounts of money involved.

4.5 The purpose and fund balance of each trust is shown in the attached appendix together with officer recommendations for the future use of the funds.

#### 5.0 IMPLICATIONS

##### 5.1 Legal

At common law, trustees may terminate a trust by distributing all trust property in accordance with the provisions of the trust deed. It has not been possible, despite considerable research, to identify the purposes of five of the trusts referred to in the report. In the unlikely event of trust deeds being found, the trustees face the theoretical possibility of being called to account for their actions by potential beneficiaries. However, the risk of any liability attaching to the trustees is very low as (i) they have taken professional advice before making these decisions (ii) they have exercised reasonable care, and (iii) the sums involved are modest.

##### 5.2 Financial

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement from	Other Comments
Trusts		2010/11	£12,450	-	-

##### 5.3 Human Resources

None.

5.4 Equalities  
None.

## **6.0 CONSULTATIONS**

6.1 None.

## **7.0 LIST OF BACKGROUND PAPERS**

7.1 None.

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**Trust Fund Details, Purpose and Fund Balance**


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Name	Purpose	Balance	Recommendation
Greenock Schools Penny Savings	Unknown, transferred from Strathclyde Regional Council without documentation.	£4,975	Disburse fully to Provost's Benevolent Fund
Kilmacolm Wings for Victory	For the sick and aged of Kilmacolm	£4,034	Disburse fully to Kilmacolm New Community Centre with condition on use for the sick and aged.
Gamble Institute Endowment	For the upkeep of the Gamble Institute.	£1,283	Transfer to Council's Central Repairs budget with condition it is spent on the Gamble Halls, Gourrock.
Miss MA Blue's Estate	Provision of seats in or near bus-stops or at the top of a hill throughout Greenock and Port Glasgow.	£789	Transfer to Council's Environmental Services budget with the condition it is used to purchase and install benches with commemorative plaque in Greenock and Port Glasgow.
Gibson Supply Award	For the promotion for arts development in Inverclyde.	£450	Disburse fully to Greenock Arts Guild for their new theatre in Greenock.
Anonymous Donor Award	Unknown, transferred from Strathclyde Regional Council without documentation.	£302	Disburse fully to Provost's Benevolent Fund
Johnstone Trophy Fund	Unknown, transferred from Inverclyde District Council.	£201	Disburse fully to Provost's Benevolent Fund
St. Stephen's Jericho Award	Unknown, transferred from Strathclyde Regional Council without documentation. Probably relates to St. Stephen's High School, Port Glasgow.	£186	Disburse fully to St. Stephen's High School, Port Glasgow.
Miss Amy Lunt Memorial Fund	For the upkeep of the family burial ground and the periodical cleaning of stone in Inverkip Churchyard. Note: A thorough investigation in 1996 could not ascertain the location of the family burial plot.	£110	Transfer to Council's Cemeteries Service for a physical improvement at the cemetery for the area of Inverkip.
MacDougall Fund	For the benefit of users of public libraries in Inverclyde.	£100	Transfer to Education budget with condition it is used for the benefit of users of public libraries.
Paul Mortification	For the benefit of the poor of Inverkip.	£14	Disburse fully to the Provost's Benevolent Fund
Lindsay Prize Fund	Unknown, transferred from Strathclyde Regional Council without documentation.	£6	Disburse fully to Provost's Benevolent Fund
		<b>£12,450</b>	