
Report To:	Education & Communities Committee	Date:	05 May 2015
Report By:	Head of Inclusive Education, Culture & Corporate Policy	Report No:	EDUCOM/52/15/AE
Contact Officer:	Angela Edwards	Contact No:	01475 712828
Subject:	Talented Endowment Fund		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Committee approval to use the 'winding up' clause in the Talented Endowment deed.

2.0 SUMMARY

- 2.1 The Talented Endowment Fund was set up in 2012 to allow exceptionally talented children and young people, who attend Inverclyde Secondary Schools, to apply for funds which would allow them to develop that talent further.
- 2.2 The fund was started with a total of £150,000 available for the purposes of the trust. To date £99,638.50 has been distributed to a range of young people. These young people have been participating in activities such as: music, weight lifting, drama, athletics and boxing.
- 2.3 In order to access a wider scope of talented young people, it is proposed that the existing endowment fund is disbursed equally to Headteachers in secondary schools.
- 2.4 The winding up of the fund will be communicated to sports, drama and art organisations across Inverclyde indicating opportunities to bid for funding as a group or organisation.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the contents of the report and approve the 'winding up' of the Talented Endowment Fund.

Patricia Cassidy
Corporate Director
Education, Communities & Organisational Development

4.0 BACKGROUND

- 4.1 Inverclyde Council has established an educational endowment for the benefit of exceptionally talented children and young people in the fields of the arts, culture and sport. The purpose of the endowment is to advance the education of children and young people who show exceptional talent in the fields of the arts, culture and sport by the provision of financial and other assistance and support.
- 4.2 The maximum award which the Trustees may award to an applicant in any 12 month period will not exceed 50% of eligible costs up to a maximum of £1,000. Eligible costs are those costs which, in the Trustees' reasonable opinion, further the aims of the Trust, as explained above.

5.0 CURRENT POSITION

- 5.1 To date grants have predominantly been distributed in the fields of sport and music. In 2014/15 £2,585 was distributed to young people.
- 5.2 The balance on the endowment as at 01 April 2015 is £60,000.
- 5.3 Clause 12 of the fund states that the fund may be wound up by a resolution of the trustees to that effect and with the agreement of the Chief Financial Officer. This may be permitted if the trustees are at any time of the opinion that the objects of the Trust can no longer be achieved by the continuance of the trust fund or can more usefully be achieved in some other manner or that the assets of the trust fund can be otherwise used with greater advantage to achieve the outcomes of the trust. If the trust fund is 'wound up', the trustees shall have power to transfer the trust fund to the Inverclyde Council to be used exclusively for purposes identified in the deed.
- 5.4 At a recent meeting, Trustees were asked to consider the principle of winding up the Trust, as permitted in terms of the Trust Deed, and distributing the remaining funds equitably across secondary schools in Inverclyde.
- 5.5 It is proposed that the funding be transferred to Inverclyde Council for distribution to schools to promote and develop talent in our young people. Funds would be allocated through an application process with clear criteria for distribution of the funding.

6.0 IMPLICATIONS

Finance

6.1 Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Schools	Grants	2015/16	60	Endowment Trust Fund	Reflects the transfer of the balance of the fund.

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A					

Every effort will be made to expend the money 2015/16. In the unlikely event that the funds are not fully spent, this amount will be carried forward as part of the DMR year-end routine.

Legal

6.2 Legal services have been consulted on this report.

Human Resources

6.3 There are no HR implications

Equalities

6.4 Has an Equality Impact Assessment been carried out?

Yes To follow.

No

This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

Repopulation

6.5 Supporting sporting/cultural activities for young may make the area more attractive for families to reside in.

7.0 CONSULTATIONS

7.1 Board of Trustees/Legal services have been consulted

8.0 BACKGROUND PAPERS

8.1 Deed of Trust

DEED OF TRUST
by
THE INVERCLYDE COUNCIL
re
ENDOWMENT FOR TALENTED CHILDREN AND YOUNG PEOPLE

WHEREAS

The Inverclyde Council has resolved to establish an educational endowment for the benefit of exceptionally talented children and young people in the fields of the arts, culture and sport for the purpose of the advancement of education, in exercise of their powers under Section 85 of the Local Government (Scotland) Act 1973 and under all other enabling powers in that behalf, pursuant to the Education (Scotland) Act 1980.

AND WHEREAS

(A) Without prejudice as to the definitions in the headings hereto, throughout these presents the following terms and expressions shall have the meaning respectively set against them unless the text or context requires otherwise:

“Arts, Culture and Sport” shall include expressive, imaginative and creative skills and activities including, without prejudice to the generality, acting, drama, theatre, dance, music, art, drawing, painting, sculpture, poetry, prose and literature and all sports.

“Children and Young People” shall mean a child or young person who is a permanent resident of Inverclyde and who attends a school of secondary education which is either (a) managed by the Inverclyde Council or (b) approved by the Inverclyde Council as a suitable school for the child or young person to attend to develop his exceptional talent.

“Corporate Director of Regeneration” shall mean the Corporate Director of Regeneration & Resources of the Inverclyde Council.

“Director of Education” shall mean the Corporate Director of Education & Social Care of the Inverclyde Council.

“Chief Financial Officer” shall mean the Chief Financial Officer of the Inverclyde Council.

"Inverclyde" shall mean the local authority area of Inverclyde.

"Inverclyde Council" shall mean the Inverclyde Council, constituted in terms of the Local Government Etc. (Scotland) Act 1994 and having its Headquarters at Municipal Buildings, Clyde Square, Greenock, PA15 1LY as Education Authority for Inverclyde and shall include all successor authorities to the said Inverclyde Council as Education Authority responsible for Inverclyde.

"Endowment", "Educational Endowment" and "Educational Purposes" respectively shall have the meanings assigned to them by the Education (Scotland) Act 1980.

"Endowment Fund" means and shall comprise (but without limitation) such property, heritable or moveable, real or personal, cash, investment monies and other assets as shall from time to time be received or held by the trustees and the assets from time to time representing same together with the income thereof and with such other property, sums or securities of whatsoever nature which may from time to time hereinafter be paid, transferred or made over to the trustees for the purposes of furthering the objects of the trust.

"The Endowment for Talented Children and Young People" means the educational Endowment established hereunder in the form of a public trust for the purposes of fulfilling the objects and purposes as hereinafter defined.

"exceptional talent in the fields of the Arts, Culture and Sport " means a child or young person assessed as such by the trustees in the broad exercise of their discretion having regard to the individual circumstances of the child or young person and to the degree of talent and commitment shown.

"objects/purposes of the trust" means the objects and purposes set down in clauses 3 and 6 hereof.

"the Schedule" means the Schedule annexed and subscribed as relative hereto.

"the trustees *ex officiiis*" means trustees appointed pursuant to the provisions of paragraphs 4.1.1 below, and "trustee *ex officio*" shall be construed accordingly.

“the Trust” means the Endowment for Talented Children and Young People.

“trustees” means trustees from time to time of the trust.

- (B) Words importing the singular shall include the plural and vice versa; references to persons shall include individuals, firms and corporations; words importing the masculine or neuter gender include all genders.
- (C) The headings are inserted for convenience only and shall not affect the construction of this deed.
- (D) “clause” means a clause of this deed and “sub-clause” shall be construed accordingly.
- (E) The *ejusdem generis* rule shall not apply and accordingly the interpretation of general words shall not be restricted by being preceded by words indicating a particular class of acts, matters or things or by being followed by particular examples.

1. APPLICABLE LAW

These presents shall be governed in all respects by, and construed in accordance with, the law of Scotland; And the parties hereto consent to registration hereof for preservation and execution.

2. ESTABLISHMENT OF THE ENDOWMENT FOR TALENTED CHILDREN AND YOUNG PEOPLE

By these presents the Inverclyde Council hereby constitutes and declares the establishment of the Endowment for Talented Children and Young People with effect from First April Two thousand and Eight notwithstanding the date or dates hereof and further declares and acknowledges the trustees to be the original trustees of the Trust for the purpose of furthering the objects of the Trust.

3. OBJECTS of the Endowment for Talented Children and Young People

The objects are to advance the education of Children and Young People who show exceptional talent in the fields of the Arts, Culture and Sport by the provision of

financial and other assistance and support which includes using the funds for Educational Purposes.

4. TRUSTEES

4.1 Identity and Appointment

4.1.1 The trustees shall comprise of the following:

4.1.1.1 The Chief Financial Officer, ex officio, and his successors in office as Chief Financial Officer;

4.1.1.2 The Corporate Director of Education & Social Care, ex officio and his successors in office as Director of Education; and

4.1.1.3 The Corporate Director of Regeneration & Resources, ex officio, and his successors in office as Director of Regeneration & Resources.

4.1.1.4 Such other persons as shall be nominated or assumed in accordance with sub-clause 4.1.3 hereof

4.1.2 The persons to be the trustees hereunder as at the commencement of this trust shall be:

4.1.2.1 Alan Puckrin in his capacity as Chief Financial Officer.

4.1.2.2 Ian Fraser in his capacity as Corporate Director Education & Social Care, or

4.1.2.3 Aubrey Fawcett in his capacity as Corporate Director Regeneration & Resources.

All of the said persons appointed as trustees under this sub-clause acknowledge their acceptance of their appointment as trustees hereunder by their respective subscriptions hereto.

4.1.3 The trustees shall be entitled to assume or co-opt new or additional trustees subject to sub-clauses 4.2 and 4.7 hereof.

4.2 NUMBER

4.2.1 There shall be at all times not less than three trustees and, in the event of the number of trustees falling at any time to one, the remaining trustee shall not be entitled to exercise any of the functions or powers of trustees except those of assuming new trustees.

4.3 MEETINGS AND QUORUM

Any trustee may call a meeting of the trustees.

The quorum necessary for the transaction of all business of the trustees shall be three of the trustees for the time being present in person. The Chairman of the Trustees shall be the Corporate Director Education & Social Care. In the event that the Chairman is not in attendance at any meeting(s) of the trustees, those trustees present in person at such meeting shall appoint one of their own number to preside at such meeting.

4.4 VOTING

All business brought before a meeting of the trustees shall be decided by a majority of the votes of the trustees present and voting thereon and in the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

4.5 WRITTEN RESOLUTION

A resolution in writing signed by a majority of the trustees for the time being, but of which due notice shall have been given to all of the trustees individually shall be as effectual as if it had been passed at a meeting of the trustees and may consist of one or more documents in similar form each signed by one or more of the trustees. In that event the quorum shall be the majority of the trustees unless despite reasonable endeavours one or more of the trustees are uncontactable, in which event the quorum shall be the majority of the trustees who are contactable and the circumstances shall be duly noted by resolution. A posted or faxed copy of such documents shall be valid for such purposes.

4.6 REGULATIONS

The trustees shall have power to make such regulations as they shall think fit for carrying out any of the purposes of the Trust and to vary or rescind any such regulations.

4.7 ASSUMPTION OF NEW TRUSTEES

Subject to the terms of sub-clause 4.1 and 4.2 the provisions of section 3 of the Trusts (Scotland) 1921 shall apply.

4.8 RESIGNATION

4.8.1 In addition to his statutory powers of resignation, a trustee may resign his appointment as trustee by signing and serving on the trustees one month's notice in writing to that effect, which notice shall be delivered to the trustees at the postal address of Head of Legal Services, Inverclyde Council Headquarters, Municipal Buildings, Clyde Square, Greenock, PA15 1LY. A trustee shall be deemed to have resigned and to have served notice in writing as aforesaid in the event that an *ex officio* trustee ceases to hold the relevant office. In the event that there are no trustees, the Director of Education shall have power to co-opt as trustee any other senior employee of the Inverclyde Council whom the Director of Education believes would be a proper and appropriate person to be so co-opted in the circumstances;

4.8.2 In the event that an *ex officio* appointee shall decline to be a trustee, or shall resign as trustee pursuant to the provisions of the immediately preceding sub-clause 4.8.1, while continuing after the effective date of such resignation in the relevant office, the remaining trustee(s) which, failing the Director of Education, shall have power to co-opt as trustee any other senior employee of the Inverclyde Council whom the trustees or the Director of Education believe would be a proper and appropriate person to be so co-opted in the circumstances (and in exercising such power the trustee(s) or the Director of Education shall take due account of the nature of the office held by such trustee declining to serve, or resigning as aforesaid).

4.9 SECRETARY

The Head of Legal and Administration will nominate a person to act as secretary to the Trust. That person will be expected to attend meetings of the trustees and keep proper minutes of all proceedings. The Secretary will also keep proper records and documents in relation to all other matters connected with the administration and management of the Trust.

4.10 REMUNERATION

The trustees will not receive any remuneration by the Trust for carrying out his/her duties.

5. NAME

The trust hereby constituted shall be known as the “Endowment for Talented Children and Young People”.

6. ENDOWMENT PURPOSES

The trustees shall hold and apply the Endowment Fund in trust for the objects of the Trust and for no other purpose.

7. RULES

7.1 Without prejudice to the provisions of sub-clause 4.6 hereof regarding the establishment of Regulations, the Endowment Fund shall be held and applied by the trustees in accordance with the following rules:

7.1.1 the capital of the Endowment Fund subject to sub-clause 7.1.2 below, shall be retained and invested by the trustees in accordance with the powers herein specified;

7.1.2 the trustees may apply the income and/or capital of the trust fund for the trust purposes as they may from time to time decide;

7.1.3 in the event of the trustees being unable other than for a reason of a temporary or transient nature to fulfil the trust purposes, they shall have power to wind up the trust in accordance with clause 12 hereof;

7.1.4 in any question as to the powers of the trustees or as to whether any course of action is within the said powers, or is in furtherance of the trust objectives, the Head of Legal and Administration Services shall be the final arbiter;

7.1.5 the Endowment Fund shall be held in the name of the Inverclyde Council and in trust for the Trust;

7.1.6 there shall be delegated to the Chief Financial Officer the powers exercisable by the trustees under Clauses 19 of the Schedule;

7.1.7 the trustees shall be obliged to obtain the advice and agreement of the Chief Financial Officer prior to the exercise of all other powers contained in the Schedule and prior to the exercise of all trustees’ implied financial powers including the general powers of trustees contained in Section 4 of the Trusts (Scotland) Act 1921;

7.1.8 In the exercise of their functions the trustees shall consider the personal circumstances of the child or young person and alternative financial or other support arrangements, the degree of talent shown and the needs of and the commitment shown by the child or young person in the fields of the arts, culture and/or sport.

8. ENDOWMENT FUND

The Inverclyde Council hereby assigns, transfers and makes over to themselves in trust for the Trust the sum of ONE POUND (£1.00) STERLING which shall form part of the Endowment Fund.

9. POWERS OF TRUSTEES

The trustees in the administration and execution of the trust shall have all powers, privileges and immunities of gratuitous trustees acting under the law of Scotland and without prejudice to the foregoing generality and the terms of Clause 7.1, the trustees shall have the powers set out in the Schedule.

10. TRUSTEES IMMUNITIES

10.1 The trustees shall be entitled to all the immunities of gratuitous trustees in Scotland. Without prejudice to the foregoing generality they shall not be liable for:

10.1.1 any loss or damage which may be occasioned by the failure or depreciation in value of any assets or property in which the trust funds are invested or which they may acquire from any person;

10.1.2 the consequences of any decision of theirs which they bona fide believe to be for the benefit of the trust fund; and

10.1.3 any action, errors, omissions or neglect of diligence, nor for the insufficiency of securities, insolvency of debtors or depreciation in the value of purchases, nor *singuli in solidum* nor for the intromissions of each other or their factor, but each for his or her actual intromissions only.

10.2 The trustees shall not be bound or required to interfere in the management or conduct of the business of any company wherever resident or incorporated in which the trust shall be interested (notwithstanding the trust may hold the whole or a

majority of the share capital carrying control of the company) so long as there shall be no notice of any act of dishonesty or misappropriation of monies on the part of the directors having the management of such company and the trustees shall be at liberty to leave the conduct of its business including the payment or non-payment of dividends wholly to such directors and no person(s) other than the trustees shall be entitled to require the distribution of any dividends by any company wherever incorporated or resident in which the trustees may be interested or require the trustees to exercise any powers they may have of compelling such distribution.

11. AMALGAMATION

The trustees shall be entitled but only with the agreement of the Chief Financial Officer to absorb into the trust fund any other trust fund or body having objects similar or related to the objects of the Trust.

12. WINDING UP

The trust fund may be wound up by a resolution of the trustees to that effect and with the agreement of the Chief Financial Officer if the trustees are at any time of the opinion that the objects of the Trust can no longer be achieved by the continuance of the trust fund or can more usefully be achieved in some other manner or that the assets of the trust fund can be otherwise used with greater advantage to achieve the objects of the Trust. If the trust fund shall be wound up the trustees shall have power to transfer the trust fund to the Inverclyde Council to be used exclusively for purposes in accordance with the objects/purposes of the Trust or to any other trust, institution or body which in the opinion of the trustees shall have objects, *inter alia*, similar to those which the Trust seeks to promote within the Inverclyde area.

13. VARIATION OF TRUST PURPOSES, ETC.

The trustees at any time shall with the consent of the Chief Financial Officer, be

entitled to execute a supplementary deed of trust for the purpose of varying or modifying the trust purposes, powers and provisions herein contained:

IN WITNESS WHEREOF these presents consisting of this and the Nine preceding pages together with the Schedule annexed are executed as follows:

SCHEDULE**POWERS OF TRUSTEES**

14. From time to time, in their absolute discretion to pay or apply the income of the Endowment Fund in the furtherance of the objects of the Trust and the trustees shall accumulate any income not so applied along with the capital of the Endowment Fund and if the trustees in their absolute discretion so think fit, may pay or apply any part(s) or the whole of the capital of the Endowment fund in any manner in which they may pay or apply the income thereof.
15. To acquire, whether by gift, purchase, lease or otherwise, land or buildings and manage and adapt such land or buildings for the purposes of the Endowment Fund, with full power to the trustees to maintain, improve, equip and furnish such property in such manner as they consider appropriate.
16. To apply for and to receive and accept for any of the Endowment purposes any grants, donations, transfers, covenants, bequests or gifts from whatsoever source(s) and on whatever conditions the trustees consider appropriate.
17. To retain, accept, purchase or sell any property, investments or assets, heritable and moveable, real and personal of any and every description wheresoever situated throughout the world (whether producing income or not, or whether authorised by the Trustee Investments Act or not) transferred to them or which may subsequently be transferred to them from time to time.
18. To accept, effect and maintain any policies of insurance or assurance whatsoever which the trustees in their sole discretion consider to be for the benefit of the Trust whether on the life of any person or otherwise.
19. To open or otherwise deal with bank accounts, to delegate the power of investment management, to set up and maintain accounting records, the preparation of financial statements (and for that purpose the accounting reference date of the trust shall be determined by the Chief Financial Officer) and to procure an audit of such records and statement; and for these purposes to appoint agents, accountants, factors, solicitors, stockbrokers, or other professional and specialist advisers to manage the Trust and to take and execute investment decisions and carry out administrative acts within the policy thereon determined by the trustees and to pay to such person so

appointed (whether of their own number or not) the usual professional remuneration and commission PROVIDED ALWAYS that the powers in this Clause shall be exercised for and on behalf of the trustees by the Chief Financial Officer.

20. To lend money on such terms as to interest, repayment or otherwise as they think fit and whether upon security or not as the trustees in their discretion shall deem prudent; to borrow money on such terms as they may think fit and apply monies so borrowed in accordance with their powers.
21. To let any heritable property on any lease on such terms and conditions and for such period as they think fit and carry on any business, alone or in partnership, and expand and invest the capital in improving, developing or adding to such business and the income in maintaining it.
22. Grant proxies in favour of any of their number or any other person to attend, act and vote for them at meetings of any company, corporation, trust or undertaking or in any bankruptcy or winding up proceedings in which the trustees may be interested or any class meeting of shareholders, stockholders or debenture holders of any company, corporation trust, undertaking or of creditors in such bankruptcy or winding up.
23. Exercise in relation to any company or corporation in which shares or securities are held by the trustees, all powers competent to them, including power to promote or concur in any reconstruction or amalgamation, with power to any of their number to continue or to be appointed as a director or officer of any such company or corporation.
24. To promote or concur in the formation, reconstruction or amalgamation of any company with limited liability including, without prejudice to that generality, any company formed to take over any business, company or concern carried on by the trustees or in which they may be interested and to subscribe for and hold debentures, stocks, shares or other obligations of such new company or to accept the debentures, stocks, shares or other obligations of such reconstructed or amalgamated company in lieu of or in substitution for the debentures, stock, shares or other obligations held by the trustees prior to such reconstruction or amalgamation and to contribute to the expenses of such formation, reconstruction or amalgamation.
25. To remove from their position as trustee any trustee who has been in serious or persistent breach of their respective duties under the Trust.

26. Subject always to the terms of Clause 7.1.4 hereof, to determine as they shall consider just, all questions and matters of doubt arising in connection with the interpretation of these presents or the administration of the Trust so that every determination, whether made upon a question actually raised or implied in connection with actings and proceedings of the trustees, so far as the law may permit shall be conclusive.
27. To take such steps as may be deemed appropriate for the purpose of raising funds.
28. To do anything which may be incidental or conducive to the furtherance of any of the objects or purposes of the Trust.