



Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Director of Financial and Business Services

Contact: Morag Johnston Ext: 73837

Item 5

26th February 2025

Sundry Trusts and Funds

Purpose of Report:

To provide an update on the Council's Sundry Trusts and Funds for the financial year ending 31 March 2024.

Recommendations:

It is recommended that members note the report.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

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1. Introduction and Background

- 1.1 The Council's Sundry Trusts and Funds had been set up from donations and bequests from individuals and organisations over many years. Following a review of the trusts, a restructure was approved in 2009 which reduced the number of trusts from 120 to 13. New procedures were also established to ensure that the remaining funds were actively managed with the financial administration of the trusts being carried out by the council.
- 1.2 This report provides a summary of the trusts income and expenditure for the financial year 2023/2024 and the closing fund position as at 31 March 2024.

2. Current Position

- 2.1 There are a total of 13 Sundry Trusts held, with an overall balance of £16.195 million as at 31 March 2024. This reflects a decrease in value of £1.979 million from the previous year due to the net expenditure of the funds and a negative return on investments during 2023/24.
- 2.2 Of the 13 Sundry Trusts, 5 have charitable status. These charities are subject to the requirements of Office of the Scottish Charity Regulator (OSCR) and their accounts are required to comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They are subject to a separate external audit regime.
- 2.3 In July 2023, Azets were reappointed as the auditors for four of the charitable trusts on a two year contract. During 2018/19 one trust, the Fossil Grove Trust decided to take direct responsibility for the financial administration of the trust and have completed their own arrangements in relation to their audit. Furthermore during 2023/24 the Fossil Grove Trust was given consent to wind-up by OSCR with all remaining funds transferred to a new Scottish Charitable Incorporated Organisation (SCIO) held out with Glasgow City Council. The non-charitable trusts are audited as part of the council's audit appointment with Ernst & Young (EY).
- 2.4 The overall responsibility for the charitable trusts sits with the relevant appointed board of trustees. However it was previously agreed that this report will also include details of the charitable trusts for information, following the audit of their annual accounts.
- 2.5 Details of the objectives of each of the 13 trusts are included at Appendix 1. This also shows the opening balance, expenditure and income during the year and movement on investment.

3. Investment strategy

- 3.1 The Sundry Trusts' investments are managed by the Council with the majority of funds being invested on a longer term basis with Ruffer LLP. As at 31 March 2024 Ruffer LLP held £16.022 million in Sundry Trusts investments.
- 3.2 The objective of Ruffer is to preserve the capital of the fund and to grow the capital at a higher rate after fees than could reasonably be obtained from depositing the funds in a reputable UK bank (The prevailing Bank of England base rate over the course of 2023-24 is 5.25%).
- 3.3 In 2023-24, there was a negative return in investments of 6%.
- 3.4 The investment position is reviewed quarterly and is subject to regular meetings with the investment managers to review performance.

4. Policy and Resource Implications

Resource Implications:

Financial: The council is fully compliant with OSCR financial reporting requirements for charities administered by local authorities.

Legal: No Legal issues.

Personnel: No direct personnel issues.

Procurement: No direct procurement issues.

Council Strategic Plan: Grand Challenge 4 – Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities

Mission 2 – Run an open, well governed council in partnership with all our communities

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify. No EQIA carried out as the report does not relate to a new service, policy, strategy plan or significant change to a/review of a service, policy strategy or plan

What are the potential equality impacts as a result of this report?

No significant impact

Please highlight if the policy/proposal will help address socio economic disadvantage

The report does not relate to a new service or policy. No significant impact.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

No direct support

What are the potential climate impacts as a result of this proposal?

Impact deemed as neutral

Will the proposal contribute to Glasgow's net zero carbon target?

No specific contribution

Privacy and Data Protection impacts:

No Privacy and Data Protection impacts identified

5. Recommendations

It is recommended that members note the contents of this report.

LIST OF SUNDRY TRUSTS 2023/24

APPENDIX 1

Name of Fund	Charity	Objectives	Opening Balance 01/04/23 £'000	Expenditure 2023/24 £'000	Income 2023/24 £'000	Loss on Investment 2023/24 £'000	Closing Balance 31/03/24 £'000
Lord Provost's Children's Fund	Y	The prevention or relief of poverty, the advancement of education, the advancement of citizenship or community development and the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage – beneficiaries of school age and under.	1,204	58	36	68	1,114
Lord Provost's Fund for Older People	Y	The prevention or relief of poverty, the advancement of citizenship or community development, the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage – beneficiaries of retiral age.	1,069	19	12	62	1,000
Lord Provost's Fund for Vulnerable Citizens	Y	The prevention or relief of poverty, the advancement of education, the advancement of citizenship or community development, the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage – beneficiaries between school age and retiral age.	3,646	155	47	212	3,326
Blindcraft Trust Fund	Y	For support of the blind or visually impaired.	2,712	212	15	160	2,355

Name of Fund	Charity	Objectives	Opening Balance 01/04/23	Expenditure 2023/24	Income 2023/24	Loss on Investment 2023/24	Closing Balance 31/03/24
			£'000	£'000	£'000	£'000	£'000
Fossil Grove Trust	Y	The objective of the fund is to provide support for the preservation of fossils at Victoria Park.	436	407	0	29	0
Glasgow Education Trust	N	General purpose - education in schools.	22	0	0	1	21
Glasgow Necropolis Fund	N	For upkeep of the Necropolis.	70	0	0	5	65
Southern Necropolis Lair Fund	N	For the upkeep of lairs and stone in Southern Necropolis.	16	0	0	1	15
Art and Museum Purchase Fund	N	Funding for use in accordance with the Council's Museums Acquisitions and Disposals Policy.	8,418	143	15	493	7,797
Donald McPherson	N	For the purchase of books at the Mitchell Library.	332	0	0	20	312
Louis E Campbell Bequests	N	For the purchase of books at the Mitchell Library.	37	0	0	2	35
Mitchell Centenary Fund	N	For the purchase of books at the Mitchell Library.	78	0	0	4	74
Barbara Collier Trust Fund	N	To advance the education and help assist pupils at Hyndland Secondary School to achieve a place at University.	134	46	0	7	81
		TOTAL	18,174	1,040	125	1,064	16,195