Item 3

30th November 2022

Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Director of Financial and Business Services

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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 2022.

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 the current number of 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 2021/22 and the closing fund position as at 31 March 2022.

2. Current Position

2.1 There are a total of 13 Sundry Trusts held, with an overall balance of £18.255 million as at 31 March 2022. This reflects an increase in value of £0.676 million from the previous year mainly due to the positive return on investments during 2021-22.

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 March 2019, Scott Moncrieff (subsequently rebranded as Azets) were reappointed as the auditors for four of the charitable trusts on a three 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. The non-charitable trusts are audited as part of the council's audit appointment with Audit Scotland.

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 2022 Ruffer LLP held £18.064 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 (Bank of England base rate at 31 March 2022 is 0.75%).

3.3 In 2021-22, there was a positive return in investments of 7.29%.

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:	Making best use of our resources.
Equality and Socio-Economic Impacts:	
Does the proposal support the Council's Equality Outcomes 2017-22	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	The report does not relate to a new service or policy. No significant impact.

will help address socio economic disadvantage	

Sustainability Impacts:

Environmental:	No direct environmental sustainability issues
Social, including opportunities under Article 20 of the European Public Procurement Directive:	The disbursement of these funds has a positive impact on citizens and communities.
Economic:	No direct economic sustainability issues
Privacy and Data Protection impacts:	There are not any potential data protection impacts

5. Recommendations

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

LIST OF SUNDRY TRUSTS 2021/22 **APPENDIX 1**

Name of Fund	Charity	Objectives	Opening Balance 01/04/21	Expenditure 2021/22	Income 2021/22	Gain on Investment 2021/22	Closing Balance 31/03/22
			£'000	£'000	£'000	£'000	£'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.	**1,157**	26	3	79	**1,213**
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.	**1,004**	14	2	72	**1,064**
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.	**3,489**	174	18	254	**3,587**
Blindcraft Trust Fund	Y	For support of the blind or visually impaired.	**2,775**	186	16	203	**2,808**

Name of Fund	Charity	Objectives	Opening Balance 01/04/21	Expenditure 2021/22	Income 2021/22	Gain on Investment 2021/22	Closing Balance 31/03/22
			£'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.	**428**	30	0	31	**429**
Glasgow Education Trust	N	General purpose - education in schools.	**20**	0	0	1	**21**
Glasgow Necropolis Fund	N	For upkeep of the Necropolis.	**64**	0	0	5	**69**
Southern Necropolis Lair Fund	N	For the upkeep of lairs and stone in Southern Necropolis.	**14**	0	0	1	**15**
Art and Museum Purchase Fund	N	Funding for use in accordance with the Council's Museums Acquisitions and Disposals Policy.	**7,944**	110	0	578	**8,412**
Donald McPherson	N	For the purchase of books at the Mitchell Library.	**305**	0	0	22	**327**
Louis E Campbell Bequests	N	For the purchase of books at the Mitchell Library.	**34**	0	0	2	**36**
Mitchell Centenary Fund	N	For the purchase of books at the Mitchell Library.	**115**	50	0	12	**77**
Barbara Collier Trust Fund	N	To advance the education and help assist pupils at Hyndland Secondary School to achieve a place at University.	**230**	50	0	17	**197**
		TOTAL	**17,579**	**640**	**39**	**1,277**	**18,255**