

ABERDEEN CITY COUNCIL

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COMMITTEE	Council
DATE	18 December 2013
DIRECTOR	Angela Scott
TITLE OF REPORT	Reorganisation of Aberdeen City Council Charitable Trusts
REPORT NUMBER:	CG/13/130

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1. PURPOSE OF REPORT

The purpose of this report is to put forward further proposals for the reorganisation of the charitable trusts managed by the Council. The aim is to:-

- a) Minimise the administrative burden and cost to the Council;
- b) Maximise the income available for charitable purposes; and
- c) Comply with the requirements of the Office of the Scottish Charities Regulator (OSCR).

2. RECOMMENDATION(S)

It is recommended that the Council:-

- a) Approves the proposed second tranche of the reorganisation of the Charitable Trusts as outlined in the report and at Appendix A;

3. FINANCIAL IMPLICATIONS

There are no implications for the Council's financial position. All financial implications for the charitable trusts are dealt with in section five of the report and are intended to maximise the income available for charitable purposes.

4. OTHER IMPLICATIONS

The reorganisation of the charitable trusts secures the continuation of the trust's funds for their original charitable purposes.

5. BACKGROUND/MAIN ISSUES

**Background - Aberdeen City Council Charitable Trusts**

- 5.1 The Council administers 52 Charitable Trusts with a total capital value at 31 March 2013 of £8M. The Council, at its meeting on 21<sup>st</sup> August 2013 agreed to reorganise 41 charitable trusts largely by transfer of trust funds to another registered charity with the same charitable purpose or in a number of cases to remove the trust from the register of charities as the trust had no longer any funds.

- 5.2 All aspects of the reorganisation covered by that report are progressing as anticipated. Of the 41 charitable trusts proposed for reorganisation:
- 1 is now removed from the Register of Scottish Charities;
  - 1 is currently on the OSCR website for consultation ending 24 November;
  - 24 are approved by OSCR pending audit of the 2012/13 accounts to finalise the amount to be transferred to recipient charities;
  - 6 applications are pending approval by OSCR; and
  - 9 are pending the approval of the revised constitution for Aberdeen Art Gallery trusts.
- 5.3 Further to the first tranche of trust reorganisations, one of the remaining trusts - the Aberdeen City Council Charitable Trusts, SCO25063 has been identified as a holding charitable trust for a number of separate trusts. On examination, funds within this trust could be better applied to their charitable purposes if they were also transferred to another charity with the same charitable purpose.
- 5.4 A further reorganisation would support the OSCR principles that historic trusts should, where possible maximise the income available for charitable purposes and reduce overheads. Ideally, funds would be incorporated into trusts that are pro-actively supporting current activities for equivalent relevant charitable purposes.
- 5.5 Council officers have been working with the officers of OSCR resulting in the attached proposal. This process has in part been advised by OSCR's experience of similar reorganisations with trusts of other Scottish Local Authorities.
- 5.6 If approved, the reorganisation would proceed on a phased basis over the next year. Relevant documentation would require submission and approval for each trust and would be subject to their consultation process. OSCR has requested that we stagger the restructuring exercise to meet their resource capabilities. Details of the relevant Trusts and how they would be treated are given in Appendix A, and it is proposed that they be dealt with in the following manner subject to approval by OSCR and the agreement from recipient organisations to accept the transfer of available funds and conditions after the payment of outstanding governance costs and agree use of the funds as approved in the transfer proposal:-
- 5.7 Phase 1 –Burgesses and their families  
There are 14 trusts related to Aged Burgesses or their family in need of financial assistance with funds totalling £130K. It is proposed they transfer their remaining funds into one existing charitable trust – City of Aberdeen Guildry and Mortification Funds, SC018575, which already has a scheme for the same purpose and is also administered by Aberdeen City Council as further detailed in Appendix A.
- 5.9 Phase 2 –Poverty/Health Related Charities  
There are 12 trusts with poverty/health related purposes with funds totalling £250K. It is proposed to transfer the funds to Instant Neighbour £58K, Aberdeen Cyrenians £57K, VSA £56K and Grampian PC NHS Trust Endowment Fund £77K. The funds would be ring fenced to poverty/health related activities as detailed in Appendix A.

5.10 Phase 3 – Various charitable purposes

There are 3 trusts with more unique charitable purposes and funds sufficient to transfer where the review has sought to find an existing charitable organisation which OSCR agrees has aims compatible with the original aims of the trusts. The intention would be that the funds transfer to these organisations for charitable purposes in line with the spirit of the original constitution, having regard to changes in social and economic conditions as detailed in Appendix A.

**Proposals and Actions**

5.11 Approve the proposed reorganisation of trusts administered by the Council as outlined in the report and at Appendix A.

6. IMPACT

It is essential that the Trusts are managed efficiently so that they continue to support the purposes for which they were established.

7. BACKGROUND PAPERS

None.

8. REPORT AUTHOR DETAILS

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## Appendix A

TRUST NAME	PURPOSE	FUND AS AT 31 MARCH 2013	PROPOSE TRANSFER TO
<b>PHASE 1 Propose transfer of trust funds to Aberdeen City Council Guildry &amp; Mortifications Funds SCO11857</b>			
William Stevenson Mortification	Decayed Burgess of guild	20,005	Aberdeen City Council Guildry & Mortifications Funds SCO11857
Alexander Calder	Four Oldest Burgess of Guild	21,000	Aberdeen City Council Guildry & Mortifications Funds SCO11857
Alexander Calder	(Widows of Burgesses)- Four Oldest Widow	19,000	Aberdeen City Council Guildry & Mortifications Funds SCO11857
Mrs Isabella Stevenson Mortification	for benefit of widows of Burgess of Guild in necessitous circumstances.	17,000	Aberdeen City Council Guildry & Mortifications Funds SCO11857
Alexander Thomson.	Decayed Burgesses and their Families	14,000	Aberdeen City Council Guildry & Mortifications Funds SCO11857
John Turner	Decayed Burgesses or their widows	13,000	Aberdeen City Council Guildry & Mortifications Funds SCO11857
James Milne	Widows and Daughters of Burgesses	5,872	Aberdeen City Council Guildry & Mortifications Funds SCO11857
Miss Louisa Stevenson Mortification	for spinster daughters of Burgess of Guild in necessitous circumstances	5,000	Aberdeen City Council Guildry & Mortifications Funds SCO11857
George Gray	Decayed Burgess	3,527	Aberdeen City Council Guildry & Mortifications Funds SCO11857
Robert Cruickshank	Decayed Burgess of Guild his wife and children	2,000	Aberdeen City Council Guildry & Mortifications Funds SCO11857
Baillie Cumming	Widow of Decayed Burgess of Guild	1,901	Aberdeen City Council Guildry & Mortifications Funds SCO11857
John Nicol ( & Helen Wilson)	Families of Decayed Burgesses	2,200	Aberdeen City Council Guildry & Mortifications Funds SCO11857
Mrs Wilde	Single Women, Daughters of Burgesses	596	Aberdeen City Council Guildry & Mortifications Funds SCO11857
Lady Drum	Widows of Burgesses and Aged Virgins	7,500	50% of Aberdeen City Council Guildry & Mortifications Funds SCO11857
<b>Subtotal Phase 1</b>		<b>132,601</b>	
<b>PHASE 2 Propose transfer Poverty/Health Related Charities listed below.</b>			
Lady Drum	Widows of Burgesses and Aged Virgins	7,500	50 % share to Instant Neighbour SCO02223
Christian Gordon	Indigent Gentlewomen	5,872	Instant Neighbour SCO02223
George Taylor.	Aged and Indigent Men a preference being given to Traders or Master Tradesmen	9,332	Aberdeen Cyrenians SCO14849
William Jackson	Help for poor, respectable widows in bringing up their children,	2,144	Aberdeen Cyrenians SCO14849
James Watt.	Poor of Old Aberdeen	828	Aberdeen Cyrenians SCO14849
Mary Morgan	Poor of Woodside.	9,218	VSA -Aberdeen Association of Social Services SCO12950
Misses Playfair	Unmarried women, Natives of St Nicholas Parish	1,300	VSA -Aberdeen Association of Social Services SCO12950
John Gall	Poor Families -	846	VSA -Aberdeen Association of Social Services SCO12950
John Burnett (Inoculation)	Relief of Poor, medical attention for poor	133,000	Poverty Related Distribution - equally between Aberdeen Cyrenians SCO14849 Instant Neighbour SCO02223 VSA -Aberdeen Association of Social Services SCO12950
John Burnett Pauper Lunatics	Pauper Lunatics	74,000	Grampian PC NHS Trust Endowment Fund SCO17296
Catherine Bow	Pauper Lunatics	544	Grampian PC NHS Trust Endowment Fund SCO17296
Joseph Tennant	Medically certified persons as fit for Morningfield Hospital	2,777	Grampian PC NHS Trust Endowment Fund SCO17296
<b>Subtotal Phase 2</b>		<b>247,361</b>	

TRUST NAME	PURPOSE	FUND AS AT 31 MARCH 2013	PROPOSE TRANSFER TO
<b>PHASE 3</b>	<b>Various charitable purposes - propose transfer to charities listed below</b>		
Bridge of Dee Fund - SCO21297	Maintenance and rebuilding of bridge over River Dee	34,600	Bridge of Don Fund SCO18551
Admiral Duff	Scripture Readers	3,100	Aberdeen Street Pastors SCO41984
Sir Thomas Crombie	Principal and 4 Teaching Professors of Marishal College .		820 Aberdeen University SCO13683
<b>Subtotal Phase 3</b>		<b>38,520</b>	
<b>TOTAL</b>		<b>418,482</b>	

**NOTE** The amounts indicated above are trust funds per 31 March 2013. Governance costs prior to the removal of the trust from the Register of Scottish Charities will be deducted before surplus trust funds are passed to a recipient charitable trust.