

## ABERDEEN CITY COUNCIL

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COMMITTEE	Guildry & Mortification Funds Sub Committee
DATE	1 March 2017
DIRECTOR	Richard Ellis
TITLE OF REPORT	Governance Review – Guildry Trust Deed
REPORT NUMBER	CG/17/018
CHECKLIST COMPLETED	Yes/No

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### 1. PURPOSE OF REPORT

This report outlines the ongoing work to prepare and have adopted a revised constitution for the City of Aberdeen Council Guildry and Mortification Funds (SC011857).

### 2. RECOMMENDATION(S)

It is recommended that:-

- a) the Sub-Committee note the proposed plans on how funding will be granted in accordance with the revised Charitable purposes and;
- b) the Sub-Committee instruct the Council's Head of Finance and Head of Legal and Democratic Services to jointly develop a process for applying for, and awarding funding which is to be in compliance with OSCR requirements.

### 3. FINANCIAL IMPLICATIONS

Officers within Finance and Legal Services will be progressing the application for re-organisation with OSCR to its conclusion. The cost of that time will be re-charged to the Guildry and Mortification Fund.

The charges will be in line with the normal charge out rate applied to public bodies.

#### 4. OTHER IMPLICATIONS

The main Services that are involved in the re-organisation process of the trust are Finance and Legal and Democratic Services. Input from other services/groups might be required as the re-organisation process progresses. The funds from the trust will be utilised to recover the cost of the time spent by officers to complete the OSCR application and implementing the re-organisation plans.

#### 5. BACKGROUND/MAIN ISSUES

5.1. Possession of the Guildry funds was transferred to the predecessor of Aberdeen City Council in 1836 by a decree of Declarator of the Court of Session. In 1868, under the Aberdeen Town Council Act possession of the Mortification funds was also transferred to the predecessor of the Council. Since then Council has continued to manage the Guildry and Mortification Funds. It also manages a scheme of financial assistance for Burgesses and their families, as well as the relief of poverty. Over time, with the availability of means tested benefits, the number of people receiving financial assistance from this scheme has reduced to two recipients.

5.2. In 1981, the then Dean of Guild raised concerns that Guildry funds were not being used for the benefit of the community. By 1990 it was agreed between the Burgesses and the Council that a *cy près* petition should be presented to the Court of Session to allow the trust purposes to be widened. In 1997, the Court of Session gave permission for the trust purposes to be broadened to allow the use of funds for financial support to selected citizens through the Guildry Award Scheme. The Guildry Award Scheme provides grants and scholarships to successful applicants. Guidelines for the award state that support will be considered to assist persons born or habitually resident in the City of Aberdeen and intending to pursue careers that, if pursued, would qualify them for admission as Burgesses of Guild of Aberdeen. The number of applications presented to the Guildry through this Award Scheme has declined over the years. The Guildry are currently working with both universities in Aberdeen and the North East Scotland College to see how they can raise awareness of this scheme.

5.3. The City of Aberdeen Guildry and Mortification Funds were registered as a Scottish Charity by the Council in 1992; and subsequently with OSCR in 2003 when the Scottish Charities Office transferred its functions to OSCR. The Council are now working with OSCR to produce a revised constitution that reflects modern charity legislation and the aspiration to use Guildry and Mortification Funds for a wider range of charitable purposes. OSCR will not widen the trust purposes without a clear plan on how the trust assets will be used to meet the trust purposes. The proposed constitution which has been submitted to OSCR is shown in Appendix A. The current proposal on how the

trust assets will be used to meet the charitable purposes is shown in Appendix B.

## 6. IMPACT

### **Improving Customer Experience –**

Broadening the trust purposes will widen the pool of potential beneficiaries, thus allowing more awards to be made to those meeting the required criteria. Further work is required to develop a fair and equitable application process as described in the report, to ensure that the application process for beneficiaries is streamlined. Further, expanding the Terms of Reference of the Sub-Committee will mean that decisions on the award of funding can be taken timeously.

### **Improving Staff Experience –**

Re-organising the Trust and modernising its Trust purposes will streamline the administration of the Trust and its Funds.

### **Improving our use of Resources –**

Broadening the trust purposes will widen the pool of beneficiaries. This will require publicising so that potential beneficiaries are aware of the trust purposes and grants available. It is recommended that the Council instructs officers to work in concert with the Aberdeen Council for Voluntary Organisations (ACVO) to raise awareness. ACVO is the Third Sector Interface for Aberdeen City. ACVO is able to send weekly E-Bulletins targeted towards organisations and individuals who meet the trust purposes criteria. The E-Bulletin is currently sent to over 2,000 subscribers. It is free for Third Sector organisations to advertise their news, services and events in the E-Bulletin and therefore there will be no financial implications for the trust when using this service.

### **Corporate -**

On 11<sup>th</sup> May 2016, Council approved the remit of the Governance Review. Its remit is to review all systems of risk and governance in the context of the Council's Strategic Business Plan. This includes the internal governance arrangements in place in respect of the large number of Trusts (both public and private) which Council engages with, has its elected members appointed to, clerks and/or manages. The review and re-organisation of the Guildry and Mortification Funds Trust is compliant with the aims of the Governance Review.

### **Public –**

The Equality and Human Rights Impact Assessment (EHRIA) is attached.

7. MANAGEMENT OF RISK

Failure to endorse the proposals in this report will result in failure to complete the re-organisation process with OSCR. Officers from the Legal and Democratic Service will have to submit a new application to OSCR which will take a further 6 months to be approved.

8. BACKGROUND PAPERS

- Guildry and Mortifications Sub Committee Terms of Reference dated 15 June 1993.
- Reorganisation of your charity guideline by OSCR <http://www.oscr.org.uk/charities/managing-your-charity/reorganisation-of-your-charity>

9. REPORT AUTHOR DETAILS

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