

ABERDEEN CITY COUNCIL

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| COMMITTEE | Council |
| DATE | 10 December 2025 |
| EXEMPT | No |
| CONFIDENTIAL | No |
| REPORT TITLE | Governance Review of Trusts – 2025 Update |
| REPORT NUMBER | CORS/25/283 |
| EXECUTIVE DIRECTOR | Andy MacDonald and Gale Beattie |
| CHIEF OFFICER | Jenni Lawson and Julie Wood |
| REPORT AUTHOR | Steven Inglis and Helen Fothergill |
| TERMS OF REFERENCE | 10 |

1. PURPOSE OF REPORT

- 1.1 To provide an update on activity in relation to trusts to which the Council is connected.

2. RECOMMENDATIONS

That the Council:-

- 2.1 notes the establishment of Aberdeen Archives, Gallery & Museums Trust (charity number SC054643);
- 2.2 notes the other activity, as detailed in this report, in relation to trusts to which the Council is connected; and
- 2.3 instructs the Chief Officer – Governance to bring a report to Council no later than December 2026 on future activity in relation to trusts to which the Council is connected.

3. CURRENT SITUATION

- 3.1 On 17 February 2025, following deferral from its meeting of 11 December 2024, Council considered a report on activity in relation to trusts to which the Council is connected, agreed the establishment of a new charitable trust (to be known as “Aberdeen Archives, Gallery & Museums Trust”) and agreed or instructed various actions in relation to that proposed new trust and the Alexander Macdonald Bequest. Council also instructed the Chief Officer – Governance to, as appropriate, bring a report to Council and/or provide a service update to elected members no later than December 2025 on future activity in relation to trusts to which the Council is connected.
- 3.2 This report provides the requisite update on such trusts, as listed in Appendices A – D. In those Appendices, the Balance Sheet Value for a fund represents its total funds (including the value of any investments) whereas the Revenue Value is the useable cash amount which is readily available for disbursement. The Balance Sheet Value includes the Revenue Value. In this report, the term

“trusts” is used for convenience but also includes reference to bequests and the like.

Aberdeen Archives, Gallery & Museums Trust (charity number SC054643)

- 3.3 Following the Council’s submission of the necessary application, and a copy of the constitution (trust deed) in the form approved by Council on 17 February 2025 and as duly executed on 30 September 2025, OSCR on 14 October 2025 entered Aberdeen Archives, Gallery & Museums Trust in the Scottish Charity Register. It can now be found on OSCR’s website at: <https://www.oscr.org.uk/about-charities/search-the-register/charity-details?number=SC054643>.
- 3.4 In summary, and in accordance with the Council decision of 17 February 2025, the purposes of this new trust support the whole operation and delivery of the Aberdeen Archives, Gallery and Museums and the Council is named as sole trustee thereof. The Chief Officer – City Development and Regeneration is the lead Council officer in respect of this trust and the Chief Officer – Governance and the Chief Officer – Finance are respectively the secretary and treasurer. Reference is made to the Powers Delegated to Officers mentioned under the “Disbursements” header below.
- 3.5 Finance are now arranging for this new trust to be registered with HMRC in order to enable gift aid to be claimed on donations. All public donation boxes and digital "tap-to-give" devices on AAGM premises are now being updated to reflect this new destination for donation income and officers will establish appropriate management arrangements for cash donations in order to comply with OSCR requirements and the Council’s Financial Regulations - including in relation to the production of gift aid envelopes, prominent display of the trust’s details, management of personal data in line with data protection legislation and the processing of gift aid recovery.

Disbursements

- 3.6 In terms of the Council’s Powers Delegated to Officers (General Delegations to Chief Officers no.46), Chief Officers have the power to approve the making of payments from the funds of trusts in respect of which the Council is sole trustee and they are the lead Council officer - following consultation with the Chief Officer – Finance and provided always that such payments are in accordance with the relevant trust deeds. The lead Council officers for the different classifications of trust are as follows:
- Educational Trusts: Chief Officer - Education & Lifelong Learning
 - Children’s Social Work Trusts: Chief Officer – Children’s Social Work & Family Support
 - Adult Social Work Trusts: Chief Officer – Aberdeen City Health and Social Care Partnership
 - Arts & Culture Trusts: Chief Officer - City Development & Regeneration
- 3.7 Similarly, under General Delegation no.47, Chief Officers have the power to, following consultation with the Chief Officer - Finance, accept monetary gifts,

endowments, bequests and donations which relate to their remit as Chief Officer and to approve the expenditure of same - in accordance with any terms applying thereto.

- 3.8 Details of disbursements from funds over the past year are provided in Appendix E.

Alexander Macdonald Bequest (charity number SC018568)

- 3.9 In accordance with the Council decision of 17 February 2025, officers submitted an application to OSCR on 26 September 2025 in respect of the Alexander Macdonald Bequest - in order to permit the expenditure of its total remaining funds (capital and revenue) on artworks in terms of the trust deed's provisions and the subsequent winding-up of this charitable trust. OSCR are considering the application and have advised that the whole process can take between 6 - 9 months.

Internal Audit Report

- 3.10 In January 2025, Internal Audit completed an audit concerning trusts administered by the Council. *Internal Report AC2510 – Trusts and Common Good Fund* was considered by the Audit, Risk and Scrutiny Committee on 20 February 2025. The report provided an overall opinion that “*There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited*”. In response to the recommendations, officers have produced more comprehensive written procedures around disbursements.

4. FINANCIAL IMPLICATIONS

- 4.1 Officer resource (from Aberdeen Archives, Gallery & Museums, Finance and Legal Services) will be required to administer the new charitable trust. The efficient and effective management of the trusts referred to in this report will maximise the funds available for expenditure on the trust purposes. The trusts provide an opportunity for delivering additional benefit to the city and its people. However the trust funds do not represent a recurring income source to support the discharge of the Council's core statutory duties.

5. LEGAL IMPLICATIONS

- 5.1 Charitable trusts require to operate in compliance with charity law and trust law. Non-charitable trusts must operate in compliance with trust law. This report details activity and proposed activity intended to support compliance and sound governance.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

| Category | Risks | Primary Controls/Control Actions to achieve Target Risk Level | *Target Risk Level (L, M or H) *taking into account controls/control actions | *Does Target Risk Level Match Appetite Set? |
|------------------------------|--|--|---|---|
| Strategic Risk | No significant risks identified | N/A | N/A | N/A |
| Compliance | If a trustee fails to comply with their legal duties, they may be held responsible for resultant losses and OSCR may take action against them. | This report supports compliance and officers from Legal Services and Finance provide appropriate advice. | L | Yes |
| Operational | Risk of gift aid rules not being followed. | Implementation of appropriate procedures and staff training. | L | Yes |
| Financial | Failure to maximise and make best use of the available funds for trust purposes. | This report supports members' oversight of the use of such funds. | L | Yes |
| Reputational | Failure to comply with legal duties may lead to adverse publicity. | This report supports compliance. | L | Yes |
| Environment / Climate | No significant risks identified | N/A | N/A | N/A |

8. OUTCOMES

| <u>COUNCIL DELIVERY PLAN 2023-2024</u> | |
|---|---|
| | Impact of Report |
| Aberdeen City Council Policy Statement | <i>A Vibrant City – “We will work tirelessly to make Aberdeen a more attractive place to live, work, study and visit with a vibrant cultural offering”.</i> |

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| <u>Working in Partnership for Aberdeen</u> | More generally, the purposes of existing trusts support overall objectives such as Supporting People with the Cost of Living, A City of Opportunity, A Vibrant City and An Active City. |
| <u>Local Outcome Improvement Plan 2016-2026</u> | |
| Prosperous Economy Stretch Outcomes | Purposes of existing trusts support the delivery of LOIP outcomes. |
| Prosperous People Stretch Outcomes | Same as above. |
| Prosperous Place Stretch Outcomes | Same as above. |

9. IMPACT ASSESSMENTS

| Assessment | Outcome |
|--|---|
| Integrated Impact Assessment | Previous Integrated Impact Assessment relating to the proposal for the new charitable trust (completed for the Governance Review of Trusts – 2024 Update report) has been reviewed and no changes are required. |
| Data Protection Impact Assessment | Officers will undertake a Data Protection Impact Assessment concerning the processing of gift aid in relation to the new charitable trust. |
| Other | Not required |

10. BACKGROUND PAPERS

- 10.1 [Governance Review of Trusts - 2024 Update \(item 5\)](#)
10.2 [Internal Audit Report AC2510 – Trusts and Common Good Fund \(item 14\)](#)

11. APPENDICES

- 11.1 Appendix A – Educational Trusts
11.2 Appendix B – Children’s Social Work Trusts
11.3 Appendix C – Adult Social Work Trusts
11.4 Appendix D – Arts & Culture Trusts
11.5 Appendix E – Details of Disbursements

12. REPORT AUTHOR CONTACT DETAILS

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|----------------------|--|---|
| Name | Steven Inglis | Helen Fothergill |
| Title | Team Leader, Regulatory & Compliance, Legal Services | Service Manager – Archives, Gallery & Museums |
| Email Address | singlis@aberdeencity.gov.uk | hfothergill@aberdeencity.gov.uk |