

# COUNCIL BUSINESS COMMITTEE

## Charities Review 13<sup>th</sup> November 2008

### Report of Head of Democratic Services

#### PURPOSE OF REPORT

To consider options for use of existing charity and trust funds for which the Council is responsible which are currently dormant.

This report is public

#### RECOMMENDATIONS

- (1) That the continued use of the following funds for their original purpose be noted:
  - Williamson Park
  - William Smith Festival
  - War Memorial Fund
- (2) That Cabinet be recommended to support the setting up of Community Foundation for Lancashire and agree:
  - (a) That the Head of Democratic Services be authorised to identify sufficient funds from amongst those bequests listed in Appendix A to transfer £6,000 to the CFL over the next 3 years for the benefit of the people of the Lancaster District.
  - (b) That Lancashire County Council be recommended to transfer the Bertha Taylor and Agnes Holmes prize funds to the CFL for the benefit of the Lancaster District.
  - (c) That consideration be given to the future use of the remaining funds following the evaluation of the CFL.

#### 1.0 Introduction

- 1.1 During 2006, the Civic Task Group undertook a review of the Council's civic functions and as part of this work became aware of a number of charities, bequests and endowments for which the Council has over the years become responsible. Whilst some of these were being put to their correct use such as the William Smith Festival, Williamson Park and the War Memorial Fund, others are not being used and are collecting interest. The Task Group requested Officers to investigate these charitable funds and consider:

- How they could be better used for their original purpose
  - A reduction in the number and work involved in administering charities.
- 1.2 An audit was carried out of all charities, bequests and endowments that the Council has responsibility for details of which are set out in Appendix A.
- 1.3 Currently there is a total of approximately £68,000 of charitable funds, which are lying dormant, accruing interest and not being used.
- 1.4 In order to bring this money back in to public use the Task Group recommended that these charities be consolidated to form the following five charities to be managed by the Lancaster City Council with the income by a Committee of trustees appointed by the Council, supported by Democratic Services and used for the following purposes:
- 1.4.1 **William Briggs and Sarah Ann Albright Trust (Approximately £3390)**
- To purchase/ restore pictures, works of art and objects of local interest at Town Hall, Museum or Art Gallery.
- 1.4.2 **Enid Smith Trust (Approximately £5910)**
- Promotion and encouragement of moral and intellectual training of children.
- The Task Group believed that this Charity is ideally placed to further the aims and objective of increasing and promoting Citizenship with regard to young people in the district.
- 1.4.3 **Pyper, Dean, Aitken and Seward Schools Prize and Exhibitions Fund (Approximately £20,000)**
- Provision of secondary school exhibitions and maintenance allowances.
  - Prizes for musical knowledge, Botany, religious knowledge or Geology.
  - Musical education of boys and girls within the district.
- 1.4.4 **Isabella Simpson and Mrs Green Charity (Approximately £16,300)**
- Support to Widows, Spinsters and the poor.
- 1.4.5 Additionally, there is a sum of approximately £1,400, known as the **Jane Gardner** bequest for assisting those in the district with Tuberculosis. It was suggested that this be consolidated with the **James Bond and Henry Welch Charity** (managed by Democratic Services), which has similar aims and objectives
- 1.5 There are several charities and charitable funds that the City Council has relating to current and former education establishments for safekeeping and the Task Group recommended that these be transferred to the relevant Board of Governors for use as prize money for the school.

### 1.5.1 **Skerton Community High School**

There is approximately £1,426 of money relating to the former Skerton Girls and Boys Schools (now the Skerton Community High School).

### 1.5.2 **Lancaster and Morecambe College**

There is approximately £3640 of money relating to Lancaster and Morecambe College and its preceding institutions.

### 1.5.3 **Lancaster Girls Grammar School**

There is approximately £86 of money relating to the Lancaster Girls Grammar School.

### 1.5.4 **Bowerham County School**

There is approximately £139 of money relating to Bowerham County School.

### 1.5.5 **Our Lady's Catholic School**

There is approximately £97 of money relating to Our Lady's Catholic School.

1.6 These recommendations were reported to Council on 6<sup>th</sup> December 2006 when the following resolution was passed:

- (a) *That the amendments, transfers, proposed objectives and consolidations of charitable funds as set out in the report be agreed, subject to the required approvals being obtained.*
- (b) *That officers be authorised to begin discussions with the Charity Commission, boards of governors and joint trustees.*
- (c) *That this work be included within the Democratic Services Business Plan 2007/08.*
- (d) *That the County Council be requested to consider the transfer of the Bertha Taylor and Agnes Holmes Charitable funds to the relevant Board of Governors for use as prize money for the school.*

1.7 It was noted at the time that in order to make the changes set out above there needed to be extensive discussions with various parties including joint trustees and boards of governors and all changes would require agreement and approval by the Charity Commission. This is therefore a substantial piece of work involving officer time in Democratic Services and it whilst it was included in Democratic Services Business Plan initially for 2007/08 it has been carried forward into 2008/09.

## 2.0 **Proposal**

2.1 Since the initial review by the Civic Task Group and subsequent decisions to progress this piece of work, there have been discussions in the County regarding the setting up of a Community Foundation for Lancashire (CFL). This would be one of a network of community foundations across the UK which use endowment funds to generate income to enable the making of grants for the benefit of local communities.

The broad purpose is to help donors collaborate in generating funds that promote and support local voluntary activity through a programme of grant making.

- 2.2 The proposal is to set up a Lancashire County Fund managed by the Community Foundation for Lancashire allocating grants which will contribute to LAA outcomes – to be kick-started using existing funds which will build up into an endowment fund providing sufficient income for future grant funding in Lancashire.
- 2.3 The aim is to raise £50m over the next few years and the Foundation is asking for a contribution from each of the District Councils in Lancashire of £6,000 over 3 years (£2k p.a.)
- 2.4 The intention is to protect the geographical interest of each income stream so that where a District Council has channelled resources into the Fund, grant funding would be made available on a proportional basis for that District and in a way determined by the District Council (focusing for example on a particular outcome).
- 2.5 It is proposed that decisions would be made by a Lancashire County Fund Panel comprising representatives of the various partners (including the local authorities and LSP) and of local voluntary and community organisations.
- 2.6 Members may therefore wish to consider the use of some of these inactive charitable funds for this purpose, bringing them back into use for the good of the local community.

### 3.0 Options and Options Analysis (including risk assessment)

3.1

	Option	Advantages	Disadvantages/risks
1	To proceed with the proposed amalgamations of Charity Trust Funds as set out in paragraphs 1.4 and the transfer of funds as set out in 1.5	Retains control over the allocation of funds via a Management Committee of Trustees appointed by the Council	Significant additional workload for staff in Democratic Services, initially to work with the Charity Commission to set up the new arrangements and on an ongoing basis to management the Trust Fund, the Management Committee and the allocation of funds
2	To agree to support the proposed setting up of the CFL and identify sufficient funds from the bequests listed in Appendix A for transfer to the CFL over the next 3 years, holding the remaining sums in abeyance until the operation of the CFL has been evaluated, but with the long term intention of transferring all unused funds to the CFL	Takes advantage of the opportunity to be part of the Lancashire Community Foundation, utilising the expertise available in grant funding  Expected to ensure that grant allocations show a demonstrable contribution to LAA outcomes  More cost effective than administering the funds 'in-house'	Could be seen as handing over Lancaster District money to the County  The Lancashire Community Foundation may fail

3	To agree to support the proposed setting up of the CFL and identify sufficient funds from the bequests listed in Appendix A for transfer to the CFL over the next 3 years and continue with the proposed amalgamations of Charity Trust Funds for the remaining bequests.	Takes advantage of the opportunity to be part of the Lancashire Community Foundation, utilising the expertise available in grant funding Expected to ensure that grant allocations show a demonstrable contribution to LAA outcomes More cost effective than administering the funds 'in-house'	Could be seen as handing over Lancaster District money to the County The Lancashire Community Foundation may fail Work on amalgamations may be wasted if there is a later decision to transfer further funds to the CFL
4	Take no action in respect of any of the funds listed in Appendix A.		Money continues to accumulate and is not used for the benefit of the community

#### 4.0 Officer Preferred Option

4.1 The officer preferred option is 2 above as this brings into use funds which have lain dormant for many years. This proposal takes full advantage of the expertise of a specialist grant making organisation and provides better value for money than the administration of individual Trust Funds by the City Council. Grant allocations will still be made for the benefit of the Lancaster District.

#### 5.0 Details of Consultation

5.1 No consultation has been undertaken.

#### 6.0 Conclusion

6.1 Significant funds as a result of bequests had been identified which are currently lying dormant and it is right that these should be brought back into use for the benefit of the District. Whilst this could be done by means of amalgamating and transferring funds as previously recommended by the Civic Task Group, the opportunity to use these funds to support the operation of a Community Foundation in Lancashire provides a more cost effective and efficient method of utilising the funds.

#### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

None

#### **FINANCIAL IMPLICATIONS**

Details of the funds identified are included in Appendix A. All these funds are held by the City Council on behalf of the appointed trustees and the adoption of the recommendations in this report will have no impact on the revenue budget.

**SECTION 151 OFFICER'S COMMENTS**

The S151 Officer has been consulted and has no comments to add.

**LEGAL IMPLICATIONS**

Any changes to Trust Fund arrangements require discussions with various parties including joint trustees and boards of governors where appropriate. All changes to registered charities require agreement and approval by the Charity Commission. Initial enquiries have commenced to enable progress to be made with whichever option Members wish to pursue.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer confirms that where the Council is a trustee, the role is an executive one, to be carried out by Cabinet.

**BACKGROUND PAPERS**

Community Foundation Network information  
([www.communityfoundations.org.uk](http://www.communityfoundations.org.uk))

**Contact Officer:** Gillian Noall

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## INACTIVE CHARITABLE FUNDS

<b>Charitable funds held in Lancaster City Council accounts, where the City Council is the sole trustee, which are not being used</b>			
<b>Charity</b>	<b>Objective</b>	<b>Original Capital</b>	<b>Current Balance (at 31.3.08)</b>
Jane Gardner Bequest (1921) <i>Not registered with Charity Commission</i>	For residents of the City who are suffering from TB.	£90.00	£1,397.42
Albright Legacy (1943) <i>Not registered with Charity Commission</i>	For the purposes of Public Library or Public Museum	£450.00	£580.62
Enid Smith Child Study Foundation (1934) No. 223403	Promotion and encouragement of moral and intellectual training of children.	£600.00	£5,909.84
William Briggs (1925) No. 223404	Purchase of pictures, works of art and objects of local interest at Town Hall, Museum or Art Gallery	£500.00	£2,810.47
Unknown Donors (1907) No. 526065	Putting out as apprentice to some useful trade or occupation a deserving child of a poor householder in the ancient township (Poulton, Bare and Torrisholme)	£17.57	£375.66
Mathew Pypers Foundation (1914) NO. 526232	Provision of secondary school exhibitions and maintenance allowances	£736.84	£12,931.01+ £766.60 re-invested
Dean Scholarship in Music (1895) No. 526116	Prizes for musical knowledge and for the musical education of boys and girls within the city.	£430.00	£3,769.28
Seward Prize <i>Not registered with Charity Commission</i>	Prize for Botany or Geology and Exhibition Award for Biology, Botany and Geology for Students at Storey Institute Technical College or any Secondary School in the City	£100.00	£508.66
Alderman E.C Parr – Technical <i>Not registered with Charity Commission</i>	Prizes at the Lancaster and Morecambe Technical College	£47.32	£35.94

<b>Charity</b>	<b>Objective</b>	<b>Original Capital</b>	<b>Current Balance (at 31.3.08)</b>
Alderman E.C Parr – Art <i>Not registered with Charity Commission</i>	Prizes at the Lancaster and Morecambe School of Art	Not known	£13.56
Alderman E.C Parr – LGGS <i>Not registered with Charity Commission</i>	Prizes at the Lancaster Girls Grammar School	Not known	(£-1.08)
Cambridge Local Committee <i>Not registered with Charity Commission</i>	Prizes at the Lancaster and Morecambe School of Art	£40.00	£120.12
Eleanor Smith Science <i>Not registered with Charity Commission</i>	Science Prizes at the Lancaster Girls Grammar School	£25.00	£33.89
A.E French Needlework <i>Not registered with Charity Commission</i>	Needlework prize and Exhibition Scholarship at the Lancaster and Morecambe School of Art	£100.00	£496.82
Sir Thomas Storey Memorial A.E French Needlework <i>Not registered with Charity Commission</i>	Prizes at the Lancaster and Morecambe Technical College	£100.00	£290.72
Dr. James Aitken Memorial (1936) No. 526694	Prizes for religious knowledge in secondary schools and assistance to Grammar School Pupils	£181.03	£2,109.00
Annie E. Helme – LGGS <i>Not registered with Charity Commission</i>	Art Prizes at Lancaster Girls Grammar School	£49.75	£10.76
Annie E. Helme – Skerton Girls (1962) <i>Included in No. 526579</i>	Prizes at Skerton Girls Secondary Modern School	£15.29	£54.43



<b>Charity</b>	<b>Objective</b>	<b>Original Capital</b>	<b>Current Balance (at 31.3.08)</b>
J.T Wright Memorial <i>Not registered with Charity Commission</i>	Prizes at Lancaster Girls Grammar School	£128.36	£42.74
Annie A Millray (1963) <i>Included in No. 526579</i>	Prizes at Skerton Girls Secondary Modern School	£7.26	£20.95
J.T Hayton (1956) <i>No. 526540</i>	Handwriting prize for Students at Cathedral Secondary Modern	£14.54	£97.35
Alderman H Price (1959) <i>No. 526542</i>	Prizes at Skerton Boys and Skerton Girls Secondary Modern School	£68.46	£263.88
Skerton Old Boys (1959) <i>No. 526543</i>	Prizes at Skerton Boys Secondary Modern School	£31.09	£95.87
Sir Edward Frankland <i>Not registered with Charity Commission</i>	Chemistry Prize and exhibition scholarship at Lancaster and Morecambe Technical College	£100.00	£533.97
J Shuttleworth (1963) <i>Included in No. 526579</i>	Science Prizes or allied subjects at Skerton Boys Secondary Modern School	£40.00	£311.34 + £80.30 invested
Skerton School Parents (1963) <i>Included in No. 526579</i>	Prizes at Skerton Boys Secondary Modern School	£85.88	£169.00
H J Weaver Memorial (1965) <i>Included in No. 526579</i>	Prizes at Skerton Boys Secondary Modern School	£68.45	£432.11
E. W Soar Memorial <i>Not registered with Charity Commission</i>	Prizes at Skerton Boys Secondary Modern School	£10.64	£28.42
H J Weaver (National Association of Teachers) (1965) <i>Included in No. 526579</i>	Prizes at Skerton Boys Secondary Modern School	£16.37	£49.68

<b>Charity</b>	<b>Objective</b>	<b>Original Capital</b>	<b>Current Balance (at 31.3.08)</b>
I H Storey Memorial <i>Not registered with Charity Commission</i>	Prizes and Exhibition Scholarship for Electrical Engineering at the Lancaster and Morecambe College of further Education	£100.00	£443.44
G R Roberts Foundation (1936) No. 526395	Prizes at Bowerham County School	£25.67	£138.89
<b><i>Charitable funds held in City Council accounts where Lancaster City Council is a joint trustee, which are not being used</i></b>			
H L Storey Science Scholarship <i>Not registered with Charity Commission Joint trustees with Kenneth L Storey Esq</i>	Science Scholarships at Lancaster and Morecambe Technical College.	£325.00	£1,665.45
Sir Richard Owen Memorial <i>Not registered with Charity Commission Joint trustees with Lancaster Astronomical and Scientific Association</i>	Prizes at Lancaster and Morecambe Technical College	£7.13	£41.47
<b><i>Charitable funds not held in City Council accounts where Lancaster City Council is the sole trustee, which are not being used</i></b>			
The Isabella Simpson Charity (1920) No. 223402	the payment of not more than £10 each per annum to spinsters over the age of 35 years who may be in need of help and who have resided in the city for at least 10 years.	Not known	15, 184.52
The Isabella Simpson Charity The Second (1964) No. 223401	The payment of not more than £10 each per annum to spinsters over the age of 35 years who may be in need of help and who have resided in the city for at least 10 years.	Not known	Included as above

<b>Charity</b>	<b>Objective</b>	<b>Original Capital</b>	<b>Current Balance (at 31.3.08)</b>
Mrs Green's Charity (1896) No. 249775	Annual income to be paid to the mayor and vicar who shall on every Christmas eve out of such income pay to forty widows residing in the borough of Lancaster the sum of 3/- each and the residue of such income shall be paid and applied to such poor person(s) or for such charitable purposes as they from time to time determine.	Not known	£1,138.84
<b><i>Charitable funds held by Lancashire County Council for the benefit of the Lancaster City Council area which are not being used.</i></b>			
Bertha Taylor Prize (1951) No. 526406	Prizes to Boys and Girls for Annual Sports at Morecambe and Heysham, Euston Road County School	Not known	Not known
Agnes Holmes Prize Fund (1956) No. 526539	The award of a book prize annually to the value of £1 to the boy or girl that has attained the highest position in English language, Literature and who has produced the best essay of the year at Balmoral Road County School.	Not known	Not known