



# EXECUTIVE MEMBER DECISION

<b>REPORT OF:</b>	Leader
<b>LEAD OFFICERS:</b>	Director of Finance and Customer Services
<b>DATE:</b>	30 <sup>th</sup> November 2018

<b>PORTFOLIO/S AFFECTED:</b>	Resources
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<b>WARD/S AFFECTED:</b>	All
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<b>SUBJECT: ALLOCATION OF MONIES FROM THE COUNCIL CHARITY: GARSTANG LECTURE FUND</b>
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## 1. EXECUTIVE SUMMARY

To deliver the Council's proposal to allocate the monies held in the Council's dormant charity account of the Garstang Lecture Fund.

## 2. RECOMMENDATIONS

That the Leader approves:

1. The transfer of the cash balance held by the fund as at 30<sup>th</sup> November 2018, in the sum of £26,277.67 to The Making Rooms and £2,000 to The Peel Foundation
2. Upon realisation of the external investments currently held by the fund (which held a market value of £9,903.16 as at 31<sup>st</sup> March 2017), to transfer the funds to The Making Rooms
3. Further to completion of Recommendations 1 and 2 above, to close the accounts and all business relating to the Garstang Lecture Fund
4. To request the Director of Finance and Customer Services and Director of HR, Legal and Governance to carry out all necessary legal formalities to remove the charity from the Charities Commission and to close all business and dealing, transferring the amounts as determined.

## 3. BACKGROUND

A report was previously presented to the Council's Executive Board in August 2018 which resolved to close the accounts of the Garstang Lecture Fund and approved the transfer of funds to other charities which were identified by the Director of Finance and Customer Services, in consultation with the Executive Member for Resources, as having the same purpose.

The decision has been deferred to the Leader of the Council in accordance with the Constitution, as the Executive Member for Resources cannot act on this occasion due to a declared conflict of interest.

It was agreed by the Executive Board in August to change the purpose of the Garstang Lecture Fund to;

"to support educational development of children and young people in the Borough",

to ensure the monies are applied to benefit the educational needs of people in the Borough.

In the financial statements prepared at 31<sup>st</sup> March 2018, the Garstang Lecture Fund held funds of £37,997.11, comprising;

- £28,093.95 held in an interest bearing bank account, and
- £9,903.16 in external investments (preference shares and debentures).

Since that date, interest has been earned on the bank balance and the value of the external investments have been subject to fluctuation according to market rates.

#### **4. KEY ISSUES & RISKS**

The Council has since received expression of interests from various charities and organisations in the Borough for the allocation of these funds. The two main applicants that met the criteria for this charity were The Making Rooms and The Peel Foundation.

Having considered all the information submitted, the Council considers that these two charities are the appropriate recipients of the funds with the distribution as follows:

##### ***Bank Balance***

£2,000.00 to be transferred to The Peel Foundation

£26,277.67 to be transferred to The Making Rooms

##### ***External Investments***

Once the value of these investments has been realised upon sale, the resulting funds to be transferred to The Making Rooms.

The Peel Foundation is a registered charity (charity no 526101) and provides scholarships to students and is open to and promoted in all Blackburn with Darwen Year 13 schools. Awards are made of £500.00 each and are made annually on the basis of applications submitted

The Making Rooms is a Community Interest Company Limited by Guarantee and its objective is to “carry on activities which benefit the community and in particular (without limitation) to provide facilities, training and support to encourage entrepreneurial talent”. The Making rooms will utilise the funds for their proposed education programme aimed more widely at secondary schools in the borough over the next 2 years.

Both applicants will be required to utilise the monies specifically within this Borough, for the benefit of young people in education.

#### **5. POLICY IMPLICATIONS**

The Council supports a range of services in the local community and transferring money from a dormant charity account to support local services reflects the Council’s objectives of improving health and wellbeing of all persons in our community.

#### **6. FINANCIAL IMPLICATIONS**

There are no direct financial costs to the proposals to transfer money from a dormant account to a local charity as set out in the report, other than internal officer time and resources.

## 7. LEGAL IMPLICATIONS

Charities are encouraged by the Charities Commission to dispose of dormant funds to suitable recipients who will use the funds for the same purpose. The Council will therefore require that the monies are utilised for the current purpose of this charity, as set out in this report.

After the charity is wound up, the Council must arrange for its accounting books and records (including cash books, invoices and receipts) to be kept for at least six years after the year they were made. The former charity trustees remain responsible for the decisions they made while they were in office.

The charity will be closed in accordance with all legal requirements and in consultation with the Charities Commission.

## 8. RESOURCE IMPLICATIONS

The legal processes required will be funded from within existing resources and once completed the transfer will result in a small resources utilisation saving within the Financial Services Team which is factored into the current restructuring programme.

## 9. EQUALITY AND HEALTH IMPLICATIONS

**Please select one of the options below. Where appropriate please include the hyperlink to the EIA.**

Option 1  Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2  In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. (*insert EIA link here*)

Option 3  In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. (*insert EIA attachment*)

## 10. CONSULTATIONS

The Council has previously consulted with the Charities Commission.

## 11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

**VERSION:** 2

<b>CONTACT OFFICER:</b>	<b>Louise Mattinson</b>
<b>DATE:</b>	6 <sup>th</sup> December 2018
<b>BACKGROUND PAPER:</b>	None