

WEST DUNBARTONSHIRE COUNCIL
Report by Executive Director of Corporate Services
Corporate and Efficient Governance Committee – 27 October 2010

Subject : Proposed Amalgamation of Educational Trusts

1. Purpose

- 1.1** The purpose of this report is to update Committee on the proposed amalgamation of various Educational Trusts.

2. Background

- 2.1** The Council has a number of Charitable Trusts and are bound by The Charities and Trustee Investment (Scotland) Act 2005 which came into force in April 2006. The legislation introduces new duties and responsibilities for the Office of the Scottish Charity Regulator (OSCR) including the duty to keep a Scottish Charity Register. The legislation also introduces new responsibilities for charity trustees including the need to notify and/or seek consent from OSCR to make changes to the charity's constitution.

- 2.2** In addition to introducing a new consents regime, the 2005 Act introduces new provisions for charity reorganisation. Charity reorganisation specifically applies to charities that are unable to reorganise or make changes to their constitution, but wish to do so. Charities may only reorganise subject to approval by OSCR. A report was considered by Members in March 2008 and it was agreed that the Council would approach OSCR with a proposal for amalgamation of two existing trusts.

- 2.3** The proposal agreed by Members regarding the restructure plan referred to in 2.2 is detailed below:

(a) **McAuley Prize for Maths** – This trust provides prizes for those studying maths and computing.

(b) **UIE Award** – this trust was established to provide grants for educational purposes in the categories of engineering, metal fabrication and French.

3. Main Issues

- 3.1** An application was made to OSCR with a proposal that the above trusts be wound up and the balance of funds of both charities transferred to a new charity to be known as the West Dunbartonshire Further Educational Trust.

- 3.2** The audited financial position of each of the Trusts in 2.3 above is detailed below as at 31 March 2010.

	2010/11 Net Movement (£)	Balance as at 31.03.10 (£)
Educational Trust		
McAuley Prize for Maths	153	20,652
UIE Award	173	23,372
Total	326	44,024

- 3.2** An initial response was received by OSCR which highlighted a number of operational issues that will require further work to clarify and resolve including the transfer of the assets, the draft trust deed, meeting the charity test and charity trusteeship
- 3.3** Following receipt of the initial response officers from corporate finance, legal, administrative and regulatory services and education met to discuss the way forward where it was agreed that, with regard to charity trusteeship, the proposed make up of the new trust could be:
- (a) Executive Director of Education
 - (b) Head of Service for Quality
 - (c) Convenor of the Corporate and Efficient Governance Committee
 - (d) A Head Teacher
 - (e) Parent (nominated by the Parent Strategy Group)
- 3.4** Due to the further work required to resolve the operational issues identified in 3.2 above it is prudent at this time to delegate responsibility to the Executive Director of Education to complete the application for charitable status for the new proposed trust.
- 4. Financial implications**
- 4.1** The proposed amalgamation of the current Educational Trusts would result in the creation of a new trust with a balance of approximately £44,000. The annual interest generated from the new trust would be in the region of £500 per annum.
- 5. People Implications**
- 5.1** The proposed amalgamation would allow the Council to fulfil its responsibilities with regard to OSCR, and ensure that the pupils within West Dunbartonshire are able to benefit from the resources of the trusts.
- 5.2** Ongoing staff support will be required in connection with the setting up and running of a new Education Trust from legal, administrative and regulatory services (committee administration), finance and education.
- 6. Risk Analysis**
- 6.1** Charities may only reorganise subject to approval by OSCR and there is a risk that this proposal outlined in this report may not be approved. If this risk occurred then alternative proposals would have to be considered.

7. Equalities Impact Assessment

7.1 While no significant issues were identified in a screening for potential equality impact of this report, the opportunity to promote equality would be taken into account in the process of planning the amalgamation

8. Conclusions and Recommendations

8.1 The Council is required to look at all Charitable Trusts with a view to amalgamating those trusts can have a common purpose and can be more effectively managed and this report has focused on two Educational Trusts.

8.2 Members are asked to:

- (a) Note that the Council has a legal obligation to review Charitable Trusts to ensure compliance with OSCR under the Charities and Trustee Investment (Scotland) Act 2005.**
- (b) Note that final approval of any reorganisation scheme rests with OSCR.**
- (c) Note the further work required to resolve the operational issues raised by OSCR.**
- (d) Agree to delegate responsibility to the Executive Director of Education to complete the application for charitable status for the new proposed trust.**

Joyce White
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Date: 4 October 2010

Wards Affected: All Wards

Appendix: None

Background Papers: None

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