



Subject: Norcross Scholarship Fund **Status:** For Publication
Report to: Charitable Trustee Committee **Date:** Thursday, 4 September 2014
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1 Purpose of Report

- 1.1 To provide an update on the financial position of the Norcross Scholarship Fund to confirm the amount available for payments to be made to people applying to the fund for assistance.

The Norcross Scholarship Fund is a Trust Fund, with charitable status, and separate from Rochdale Borough Council monies.

2 Recommendations

- 2.1 It is recommended that the members of the Charitable Trustee Committee note the financial position of the Norcross Scholarship Fund as outlined in paragraphs 3 to 6.

The amount available for the Charitable Trustee Committee to distribute to applicants during 2014-2015 is £7,152

Reason for recommendation

- 2.2 The recommendation is put forward so that the Members of the Charitable Trustee Committee can consider applications for financial support.

3 Projected Income and Expenditure for 2014-2015

- 3.1 As shown in Appendix 1, projected income for 2014-2015 is estimated at £8,068 (Ref A). Grants awarded to date (nil) together with the Management Fee to Rochdale Borough Council totals £1,748 (Ref B) leaving a forecast surplus of £6,320 (Ref C) for the year. Adding the current account balance of £832 brought forward from 2013-2014 this leaves the fund with a forecast cumulative balance of £7,152 (Ref D) before any further awards are made.

- 3.1.1 As shown in Appendix 1, the funds available for distribution in 2014-2015 are forecast at £7,152 (Ref G); this is equal to the forecast cumulative current account balance (Ref D). Invested Endowments of £164,158 (Ref E) are retained to generate future income. The deposit account balance of £500 (Ref F) is retained to provide emergency working capital.

- 3.1.2 The forecast income of the Trust has been based on information available at 4 August 2014. It should be recognised that the income from the investments is variable. However, any variation is unlikely to have a significant effect on the funds available.

3.2 Current Valuation of the Trust's Investments

- 3.2.1 Appendix 2 provides details of the valuation of investments and a projection of the income generated from these investments (valued at 4 August 2014).

3.3 Reserves Policy

- 3.3.1 The reserves policy produced by the Trustee means that, investments should be maintained between a minimum of £100,000 and a maximum of £200,000. The deposit account should be maintained between a minimum of £300 and a maximum of £1,000. The current account should be maintained between a minimum of £100 and a maximum of £200 although temporary fluctuations can be absorbed by future income streams. The members of the Charitable Trustee Committee can amend these amounts if they wish.

- 3.3.2 Investments are currently valued at £164,158 (Appendix 1 – Ref E) which is within the levels set in the reserves policy.

- 3.3.3 The deposit account balance of £500 (Appendix 1 – Ref F) is forecast to remain within the levels set.

- 3.3.4 The current account balance before any awards are made at the current meeting is forecast at £7,152 (Appendix 1 – Ref G) which is above the limit set in the reserves policy. It is anticipated that Beneficiary Awards to be made would ensure that the balance at the end of the financial year is within the levels set.

3.4 The Trust Rules in Respect of Applications

- 3.4.1 The Governing Scheme of the Trust dictates that the Charitable Trustee Committee must apply the income of the Trust in awarding scholarships or grants to young persons who have not attained the age of 30 years, who are resident in the area of the former Administrative County of Lancaster or the former County Borough of Rochdale and who have completed a course of study at any University, College or other place of further education approved by the members of the Charitable Trustee Committee. The scholarship or grant is awarded to enable the young person to travel, within the United Kingdom or abroad, to further their education or to enable them to attend a course at any educational establishment approved by the members of the Charitable Trustee Committee.

- 3.4.2 Within the limits prescribed by the Scheme, the Charitable Trustee Committee shall have full power to make rules for the award of scholarships or grants, including rules as to the value and period of tenure of the awards, and the qualifications and method of ascertainment and selection of young persons to benefit: Provided that in the award of benefits preference shall be given to young persons qualified as aforesaid who have at any time attended a school or are for the time being resident in Middleton in the County of Greater Manchester

3.5 Alternatives considered

- 3.5.1 As this is a separate distinct fund, there are no alternatives to consider.

4 Financial Implications

4.1 As the monies relate specifically to the Norcross Scholarship Fund, there are no financial implications for Rochdale Borough Council.

5 Legal Implications

5.1 There are no legal implications arising from this report.

6 Personnel Implications

6.1 There are no staffing implications.

7 Corporate Priorities

7.1 The Committee, when acting in its role as Charitable Trustee, is obliged to act in the best interest of the Trust. The establishment of the Committee arose from advice of the Charity Commission to resolve conflict between the executive (generally the Cabinet) who will be pursuing the corporate priorities and the Council function as a Charitable Trustee, where the interest of the Trust or Bequest may differ

8. Risk Assessment Implications

8.1 There is a slight risk that decisions made by the Charitable Trustee Committee could contravene rules, regulations and guidance laid down by the Charity Commission, The Charities Act 2011 and the Governing Scheme. Guidance and monitoring provided by Rochdale Borough Council and use of Rochdale Borough Council systems significantly reduces this risk. Finance Service provides guidance to members of The Charitable Trustee Committee to ensure that the risk is minimised and appropriately managed, by regularly reviewing charity legislation for changes relevant to the Charity, advising the members of the committee of those changes so that they can be implemented and ensuring that Charity Commission guidance is followed.

9. Equalities Impacts

9.1 Workforce Equality Impacts Assessment

There are no workforce equality issues arising from this report.

9.2 Equality/Community Impact Assessments

There are no equality/community issues arising from this report.

| Background Papers | |
|--------------------------------|----------------------------|
| Document | Place of Inspection |
| There are no background papers | |