

Report to Charitable Trustee Committee



Date of Meeting	Monday 19 th March 2018
Portfolio	Councillor Brett Leader of the Council and Cabinet Member Corporate & Resources
Report Author	Neil Helliwell
Public/Private Document	Public

Charitable Trustee Committee Projected Financial Position for 2017/18

Executive Summary

1. To provide an update on the current 2017/18 projected financial positions of the Norcross Scholarship Fund, the James Handley Bequest Fund and the Doctor Chadwick Trust Fund.

These are Trust Funds, with charitable status, separate from Rochdale Borough Council monies.

Recommendation

2. It is recommended that the members of the Charitable Trustee Committee note the financial position of the Norcross Scholarship Fund, the James Handley Bequest Fund and the Doctor Chadwick Trust Fund as outlined in section 4 of this report.

Reason for Recommendation

3. The recommendation is put forward for information to the Members of the Charitable Trustee Committee.

Key Points for Consideration

4. Projected Financial Position for 2017/18

James Handley Bequest (also see appendix 1)

As there is an application for funding to the James Handley Bequest, Trustees should please note the following:-

- The forecast surplus for 2017/18 is £2,266 (item C on appendix 1). When added to the current reserves carried forward of £2,545, the total forecast cash balance is £4,811 (item D on appendix 1).
- Total funds available for distribution as at 31st March 2018 would be between £1,911 (if carrying forward the maximum reserves as per the reserves policy) and

£3,361 (if carrying forward the minimum balance required on the current policy). These amounts are shown as item L on appendix 1.

- Rochdale Borough Council do not put any cashflow restrictions on the Trusts falling under the charitable trustee committee during each individual financial year. This means that trustees have the option of committing expenditure before the projected annual income has been paid into the Trusts account (as long as it is reasonable to do so and there is little risk). This would give the Trustees the option of making an award early in the 2018/19 financial based on the closing projected financial position. However, should the estimated annual projected income not materialise and the maximum current account balance has been committed, Trustees would have to consider using deposit account funds or the sale of investments in order to bring the current account back in line with the reserves policy at the end of the 2018/19 financial year.
- Trustees can change the maximum and minimum reserve policy balances at any time if they feel they are either too high or too low.
- Before any further potential awards are made, the projected financial position for the James Handley Bequest Fund at the end of the **following** financial (i.e. **2018/19**) year would be:-
 - A forecast surplus of £2,266 (i.e. the same as in 2017/18).
 - Forecast cash balance at 31st March 2019 would be £7,077 (i.e. £4,811 potentially carried over from 2017/18 plus an estimated surplus of £2,266 in 2018/19).
 - Funds available for distribution would be between £4,177 and £5,627 (depending on the minimum and maximum reserves policy balances).

Doctor Chadwick Trust (also see appendix 2)

Income is estimated at £15,757 (ref A in appendix 2) with estimated expenditure at £595 (ref B) leading to a forecast surplus of £15,162 (ref C) in 17/18 alone. Adding in the reserves brought forward from 2016/17 of £3,627 means that the total estimated current account balance at 31/3/18 is £18,789.

Funds available for distribution range between £18,664 down to £18,539 depending on whether the minimum or maximum reserves policy balance is to be carried forward.

Trustees can carry forward more than the maximum reserves policy balance where they feel it is reasonable to do so (e.g. there are no suitable applications for funding)

Herbert Norcross Scholarship (also see appendix 3)

Income is estimated at £6,603 (ref A in appendix 3) with estimated expenditure at £5,650 (ref B) leading to a forecast surplus of £953 (ref C) in 17/18 alone. Adding in the reserves brought forward from 2016/17 of £982 means that the total estimated current account balance at 31/3/18 is £1,935.

Funds available for distribution range between £1,835 down to £1,735 depending on whether the minimum or maximum reserves policy balance is to be carried forward.

Trustees can carry forward more than the maximum reserves policy balance where they feel it is reasonable to do so (e.g. there are no suitable applications for funding).

Alternatives considered

As these are separate distinct funds, there are no alternatives to consider.

Costs and Budget Summary

5. As per section 4 above.

Risk and Policy Implications

6. As the monies relate specifically to the Trust Funds, there are no financial or legal implications for Rochdale Borough Council.

However, 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 Schemes. 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.

Consultation

7. No consultation is required.

Background Papers	Place of Inspection
8. Appendices 1-3 showing projected financial position for 2017/18.	Finance Services, Tax and Treasury Management Team, Floor Two Number One Riverside

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