

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Policy and Resources
Date of Decision:	5 December 2017
Decision Title:	Charities' Annual Accounts for 2016/17
Report From:	Director of Corporate Resources – Corporate Services

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1. Executive Summary

- 1.1. This report presents the accounts of charities administered by the County Council for approval by the Executive Member on behalf of the County Council as sole trustee. Under the Charities Act 2011 this satisfies the reporting requirements as the charities' gross annual income is less than £25,000.

2. Issues covered in the Report

- 2.1. This report contains the accounts of charities under the remit of the Executive Member (Policy and Resources) for which the County Council acts as sole trustee. There are certain other charities, for which the Council acts as trustee, which have different reporting lines for approval of the accounts. The following three trusts have sufficient size balances that require their accounts to be submitted for approval trusts:
- The Michael Austin Harlick Trust Fund
 - The Dayas Music Scholarship Trust Fund
 - The Mace Educational Trust.
- 2.2. Trusts with investment balances invest in a mix of managed unit trusts established for charities in line with the County Council's investment policy for trust funds agreed by the former Charities Panel in July 1998. The Charibond and Charinco funds are both invested in a range of fixed-interest and index-linked bonds, which produce a relatively high income yield. The investment in Charifund gives the trusts exposure to equities, which can have more variable yields but provide more scope for growth in the trusts' capital.

- 2.3. Both bond and equity funds have produced relatively good income returns in 2016/17. Income returns from the charities' bond investments (Charibond and Charinco) were an average of 3.7% and equity fund (Charifund) returns were 4.6%.
- 2.4. It has been a relatively good year for investments, as the market value for both equities and bonds has increased in the year to 31 March. The capital value of the charities' equity investments has increased by 10.2% and bond investments by 2.8%. This has offset the losses in capital values seen last year. The capital value of both equity and bond investments will vary over time and diversified investment in both asset classes provides a good income source, which is the main aim of the charities' investments.

3. Trust fund accounts

Michael Austin Harlick Trust Fund

- 3.1. Michael Austin Harlick was an ex-prisoner of war from Gosport who established a trust in his will to be used for the provision of medals, challenge cups and trophies for the children of Hampshire schools, and for the encouragement of pupils in all forms of sporting activity.
- 3.2. The accounts attached in Appendix 1A show that the trust has maintained its healthy financial position. The Trust's income from investments was £9,800 and its expenses in grants paid were £9,700, so the Trust therefore continues to have a healthy cash balance of £30,300.

Dayas Music Scholarship Trust Fund

- 3.3. Although the County Council is sole trustee, this trust is administered by the Hampshire Music Service in consultation with the Director of Children's Services, Director of Corporate Resources, Chief Executive and County Music Adviser.
- 3.4. It was established in 1978 under the will of Mary Gwendolyn Sayer Hayton (née Dayas). It provides music scholarships, preferably, but not necessarily, for pianoforte, for applicants living in Hampshire.
- 3.5. Accounts for the trust are shown in Appendix 1B. The accounts show that the trust is in a financially strong position. There has been £2,900 spent on grants in 2016/17 and the total income from investments was £5,100. This has allowed an increase in the cash balance to £11,300.

The Mace Educational Trust

- 3.6. This Trust was established in 2000 under the will of Evelyn Mace. Income to the Trust is used for the provision of scholarships for higher education for students under 25 who are, or have been, in the care of Hampshire County Council, and for scholarships for students due to start a drama or poetry higher education course.
- 3.7. All grants made have been subject to the specific approval of the Executive Member (Policy and Resources) and the trust is administered in the Corporate Services Department. Accounts for the Trust are shown in Appendix 1C.

- 3.8. The Trust's expenditure on grants of £3,000 was lower than its income from investments of £4,500 so the Trust therefore increased its cash balance to £8,500, in addition to its other investments.

4. Legal implications

- 4.1. The County Council is no longer required to supply to the Charity Commission annual statements of account and reports for the smaller charities for which it acts as Trustee, which have a gross annual income of less than £25,000 a year.
- 4.2. These small charity accounts must be approved directly by the Executive Member (Policy and Resources) on behalf of the County Council as sole trustee.

5. Financial implications

- 5.1. There are no financial implications for the County Council.

6. Conclusion

- 6.1. The proposals set out in the report will enable the Council to fulfil its obligations under charities law.

7. Recommendation

- 7.1. That the accounts for the charities listed below for 2016/17 be approved:
- Michael Austin Harlick Trust Fund
 - Dayas Music Scholarship Trust Fund
 - Mace Educational Trust.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

This proposal does not link to the Strategic Plan but, nevertheless, requires, under the Charities Act 2006, a decision to approve the accounts and reports appended to this report because the County Council acts as sole trustee to the charities mentioned in the report.

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 – background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

1.3. Equality objectives are not considered to be adversely affected by the proposals in this report.

2. Impact on Crime and Disorder:

2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.

Michael Austin Harlick Trust Fund
Registered Charity Number: 900351

Accounts from 1 April to 31
 March

	2015/16 £	2016/17 £
Fund Balance as at 1 April	254,827	252,792
Income		
Income from Charibond	8,085	6,189
Income from Charinco	1,824	1,824
Income from Charifund	1,776	1,827
	11,685	9,840
Expenditure		
Grant payments	13,720	9,663
Fund Balance as at 31 March	252,792	252,969

Represented by:

Investment at cost (see below)	222,666	222,666
Cash Balance	30,126	30,303
	252,792	252,969

INVESTMENTS (16/17)

Holding	Stock	Book Cost £	Market Price as at 31.03.2017 £	Market Value as at 31.03.2017 £
134,533	Charibond	163,850	1.30	174,314
22,806	Charinco	39,518	1.99	45,338
2,564	Charifund	19,298	15.59	39,977
		222,666		259,629

The Dayas Music Scholarship Trust Fund
Registered charity number: 280413

Accounts from 1 April to 31 March

	2015/16 £	2016/17 £
Fund balance as at 1 April	108,562	111,495
Dividends and interest on investments	5,322	5,078
Less: Award payments	2,089	2,902
Less: Hampshire Music Service - Administration of Trust	300	300
Fund balance as at 31 March	<u>111,495</u>	<u>113,371</u>
Investments at cost (see below)	102,074	102,074
Cash balance	9,421	11,297
	<u>111,495</u>	<u>113,371</u>

Market Value of Investments

Holding	Stock	Book Cost £	Market Price as at 31/03/17 £	Market Value as at 31/03/17 £
31,194	Charibond	36,031	1.30	40,419
20,820	Charinco	37,302	1.99	41,389
2,776	Charifund	28,741	15.59	43,279
		<u>102,074</u>		<u>125,087</u>

MACE Educational Trust

Accounts from 1 April to 31 March

	2015/16 £	2016/17 £
Fund Balance as at 1 April	106,937	105,541
Income		
Income from Charifund	1,700	1,748
Income from Charibond	3,604	2,759
	5,304	4,507
Expenditure		
Grant payments	6,700	3,000
Fund Balance as at 31 March	105,541	107,048

Represented by:

Investment at cost	98,500	98,500
Cash Balance	7,041	8,548
	105,541	107,048

**Market Value of Investments
(2016/17)**

Holding	Stock	Book Cost £	Market Price as at 31.03.17 £	Market Value as at 31.03.17 £
2,454	Charifund	24,500	15.59	38,262
59,968	Charibond	74,000	1.30	77,701
		98,500		115,963