

# The Highland Council

## Adult and Children's Services Committee

Minutes of Meeting of the **Duncraig Trust Scheme Sub-Committee** held in Committee Room 1, Council Headquarters, Glenurquhart Road, Inverness on Tuesday 3 September 2013 at 11.00 am.

### Present:

Mrs I Campbell  
Dr I Cockburn  
Mr D Fallows

Mr G MacKenzie  
Dr A Sinclair

### Officials in attendance:

Mr R MacKenzie, Head of Support Services, Education, Culture and Sport Service  
Mrs J Graham, External Funding Manager, Education, Culture and Sport Service  
Mr B Porter, Finance Manager (Budget Strategy, Policy and Taxation), Finance Service  
Miss J MacLennan, Principal Administrator, Chief Executive's Office

### Dr I Cockburn in the Chair

### Business

#### 1. Apologies for Absence

Apologies for absence were intimated on behalf Dr D Alston, Mr A Christie and Mr R Greene.

#### 2. Declarations of Interest

There were no declarations of interest.

#### 3. Exclusion of the Public

The Sub-Committee **RESOLVED** that, under Section 50A(4) of the Local Government (Scotland) Act 1973, the public be excluded from the meeting during discussion of the following item on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 4 of Part 1 of Schedule 7A of the Act.

#### 4. Applications for Financial Assistance

There had been circulated Report No DTS/02/13 by the Director of Education, Culture and Sport providing information about applications for assistance under the Duncraig Trust Scheme. Background information had also been circulated to Members.

It was explained that the balance of funds in the Trust at the end of financial year 2012/13 was £817,636 comprising £24,287 in the revenue fund and £793,349 in the capital fund. Awards from the Trust were funded from the revenue balance.

Turning to the determination of specific awards, Members were reminded that there were two categories, namely Arts, Language, Heritage, Science and Environment; and Sport. In total, 38 applications had been received, 10 of which had been ineligible. The total value of eligible applications was approximately £35k. However, the overall financial position of the Trust had been taken into account in the recommendations for funding which totalled £11,780.

Each application had been assessed by officers with advice, where appropriate, from specialist staff within the Council, High Life Highland and organisations such as Creative Scotland, **sportscotland** and relevant governing bodies of sport. As agreed previously, a degree of priority had been awarded to potential competitors in the Commonwealth Games in 2014. Two applications had raised issues of principle and precedence which Members considered further, one of which the Sub Committee was of a mind to approve taking into account the unique factors but on the basis that it would be a one-off departure from the criteria.

Turning to the matter of the financial performance of the fund, the Finance Manager (Budget Strategy, Policy and Taxation) referred to a report submitted to the Investment Sub Committee regarding investment options available to Common Good and Trust Funds. He highlighted that, in deciding upon investments, the Council's priorities were security first, liquidity second and then return. He appreciated that this was a risk-adverse approach but this was vital in the current economic climate. In considering how to maximise income to Trust Funds it was important to take such a cautionary approach, taking into account that there was only one source of income, and what the Trust Deed would and would not allow investment in. The Duncraig Endowment Trust was currently held in a 90-day notice account and, while other options might offer higher interest rates, some of these had the potential of reducing the capital as well. However, if this was something Members wished to consider, it would be advisable not to invest the entire capital amount. The Trust had, when it was first set up, generated interest in the region of £25,000 but, since then, interest rates has reduced significantly.

During discussion, while accepting the need to protect the capital of the Trust, Members were concerned that the current approach meant that income was relatively low. It was suggested that consideration be given to other options including longer term notice accounts and Bonds, bearing in mind that even a modest increase in interest rates could generate additional money for allocation. Reference was also made to hub North Scotland Limited, a partnership between public and private sector organisations who were offering the Council the opportunity to make a financial investment in infrastructure projects in Highland in the form of investing subordinated debt. This offered a guaranteed return although, again, there was some risk associated with this proposal and was one which would also incur a degree of administration and set-up costs. However, Members asked that options be investigated, together with a risk analysis, recognising that it should also be a model which other similar Council Trusts might consider.

Thereafter, the Sub-Committee:-

- i. **NOTED** the financial position of the Trust;
- ii. **AGREED** to recommend to the Adult and Children's Services Committee that a report be considered at a future Sub Committee setting out possible alternative options to generate additional interest for the Trust taking into account the points raised during discussion; and

ii. **AGREED** to award £12,480 grants as follows:-

**Arts, Language, Heritage, Science and Environment**

<u>Application</u>	<u>Award</u>
DETS/A/13/01	£700
DETS/A/13/03	£580
DETS/A/13/04	£700
DETS/A/13/05	£700
DETS/A/13/06	£700
DETS/A/13/07	£700
DETS/A/13/08	£700
DETS/A/13/09	£700

**Sport**

<u>Application</u>	<u>Award</u>
DETS/S/13/14	£800
DETS/S/13/01	£800
DETS/S/13/09	£800
DETS/S/13/18	£700
DETS/S/13/16	£700
DETS/S/13/17	£700
DETS/S/13/07	£500
DETS/S/13/05	£500
DETS/S/13/06	£500
DETS/S/13/09	£500
DETS/S/13/08	£500

**Total Awards                      £12,480**

The meeting concluded at 11.35 am