

Agenda Item	7
Report No	WRSL/012/23

## THE HIGHLAND COUNCIL

**Committee:** Wester Ross, Strathpeffer and Lochalsh Area Committee

**Date:** 4<sup>th</sup> September 2023

**Report Title:** Duncraig Educational Trust Report

**Report By:** Area Education & Learning Manager

### 1. Purpose/Executive Summary

- 1.1 This paper reports on the key points of work and allocations from The Duncraig Educational Trust for the 2022-2023 financial year, and awards made in August 2023.

### 2. Recommendations

2.1 Members are asked to:

1. Review and note the content of the report.
2. Approve continuing to hold the trust funds in the deposit account.
3. Delegate authority to the Area Education and Learning Manager to reopen the grant scheme during the year between September and December 2023.
4. Delegate authority to the Area Education and Learning Manager to review and propose any changes to Committee.

### 3. Implications

Award levels are based on annual investment income.

3.1 Resource

All work will be managed within budget allocations.

3.2 Legal

Statutory requirements are met as necessary.

### 3.3 Community (Equality, Poverty, Rural and Island)

There is no identified impact.

### 3.4 Climate Change / Carbon Clever

There is no identified impact.

### 3.5 Risk

There are the usual associated risks of trust funds held in deposit accounts, where income varies from year to year.

### 3.6 Gaelic

There is no identified impact.

## 4. **The Duncraig Educational Trust Scheme**

4.1 The Duncraig Educational Trust was launched in May 2008, following the sale of Duncraig Castle in 2003, to assist talented young Highland people. It is administered by The Highland Council and makes available scholarship, grants and assistance for current and former pupils who have particular or exceptional talents in the following identified areas:

- Young people with an exceptional or unique talent
  - who attend or attended secondary school in the Highland Council area
  - or, whose parents or grandparents attended a Highland secondary school for a minimum of two years

There are two categories of award with different age groups being eligible to apply for each category:

- Sports grants are available for 14 to 25 year olds who have been selected to participate in sporting events at national or international level and, or who require specialist sports coaching, training or equipment to compete at national or international level
- Grants for 16 to 25 year olds undertaking specialist courses of study in arts, language and heritage, science and environment and or to purchase specialist equipment for such courses

4.2 The capital sum of £793,000 is held by The Highland Council in its deposit account. The income for year ending April 2023 was £4627.

4.3 At the end of June 2022, the closure date for applications, there was insufficient income from the previous year (21-22) to make awards. This was due to the global financial situation and the impact on interest rates in the United Kingdom. At the end of June 2022, there was an income of approximately £200, with £172 per month requiring to be paid out for compensation for loss of office to a previous employee- this is a planned and ongoing payment. As interest rates climbed significantly over the course

of the last year, the final income increased to the £4627 described.

- 4.4 Interest rates continue to climb and over the financial year 2022-23, income has dramatically increased. At the point of application closure to the trust in June 2023, the funds available were £9,378.52. Predictions for further income, should interest rates remain stable, may be up to £39,000 over the course of the current financial year.
- 4.5 It is recommended, therefore, that rather than look to invest the capital funds, members approve that the funds are retained in the deposit account of The Highland Council, at this time.
- 4.6 There were only 5 applications to the trust by the end of June 2023, of which 3 met the criteria for awards.
- 4.7 Awards were made for a variety of purposes:
  - CMcK, Music Academy Course, £1000
  - EM, Commercial Performance Dance Course, £1000
  - ED, Digital Interaction Design Course, £1800
- 4.8 Due to the low number of applications and a larger than expected income, as a result of interest rate increases, it is recommended that members give delegated authority to the area education and learning manager to reopen the grant scheme during the year between September and December 2023 to applications. This would give further opportunity for young people to benefit from the unexpected income to the trust.
- 4.9 The Duncraig Educational Trust Scheme was last reviewed in 1999. It is recommended that delegated authority is given to the area education and learning manager to review and propose any changes with colleagues in legal and financial services; and subsequently present a further report, in due course, to the committee for their consideration.

Designation: Education & Learning Manager

Date: 4/9/23

Author: Derek Martin

Appendix 1: The Duncraig Educational Trust Scheme 1999

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## MEMORANDUM CORPORATE SERVICES

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To: GAVIN GILRAY, LOCHABER AREA ACCOUNTANT,  
LOCHABER HOUSE, FORT WILLIAM

From: HEAD OF LEGAL SERVICES

Date: 8 July, 1999

Our ref: L/ED/SL11: MAB/MT

Your ref:

Please ask for: Mr M A Brady - Ext 2194

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### DUNCRAIG CASTLE COLLEGE, EDUCATIONAL ENDOWMENT

I refer to your e-mail dated 2nd July, sent to the Director of Corporate Services who in turn copied it to myself. As requested I enclose herewith a copy of the amending scheme as made from which you will that the amending scheme comes into operation on 19th July in the absence of any Appeal or Petition presented to the Court of Session.

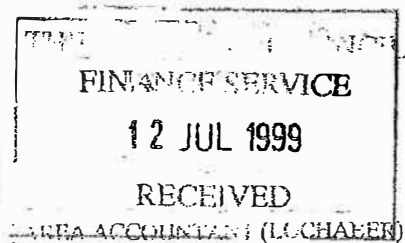
Please acknowledge safe receipt.



**RECEIVED**

12 JUL 1999

**CORPORATE SERVICES  
LOCHABER**



**SCHEME MADE PURSUANT TO  
THE EDUCATION (SCOTLAND) ACT 1980 AS AMENDED  
FOR THE REORGANISATION OF THE DUNCRAIG CASTLE  
COLLEGE EDUCATIONAL ENDOWMENT**

Pursuant to the requirements of Section 112 of the Education (Scotland) Act 1980 The Highland Council as Education Authority for the Highland Area have prepared the following scheme for the reorganisation of the Education Endowment created by Dame Margaret Elizabeth Brown or Hamilton of Balmacara by Disposition in favour of the County Council of the County of Ross and Cromarty dated 14th March and recorded in the General Register of Sasines applicable to the said County on 26th September, 1946 and now comprising the Trust property described in Part II of the Scheme:-

**PART I**

**CITATION AND INTERPRETATION**

**Citation**

1. This Scheme may be cited as the Duncraig Educational Trust Scheme 1999, and shall come into operation on 19th July, 1999.

**Interpretation**

2. (i) In this Scheme, unless the context otherwise requires,  
  
"approved plan" means the plan which has been approved by the Council in terms of Section 15 of this Scheme and is for the time being in force;  
  
"Council" means The Highland Council acting as Education Authority and as such the governing body of the Trust;  
  
"Education Committee" means the Education Committee of the Council, and  
  
"Trust" means the Duncraig Educational Trust.  
  
(ii) The Interpretation Act 1978 shall apply for the interpretation of this Scheme as it applies for the interpretation of an Act of Parliament.  
  
(iii) Reference in this Scheme to a Section, Schedule or Part shall, except where the context otherwise requires, be construed as references to a Section of, Schedule to or Part of this Scheme as the case may be.

## **PART II**

### **Trust Property**

#### **Trust Property**

3. (i) The property of the Trust shall comprise -
  - (a) so much of the lands described in the First Schedule hereto and the buildings and other fixtures therein and thereon and the parts, privileges and pertinents thereof as are vested in the Council or to which the Council have right as statutory successors to the County Council of the County of Ross and Cromarty;
  - (b) the balances of capital and income standing in the Council's accounts and known as the Duncraig Trust Fund representing the proceeds of sale of parts of the lands described in the First Schedule, and
  - (c) such other property, heritable and moveable, corporeal and incorporeal, into which the foregoing may be converted and held from time to time.
- (ii) The Trust property shall be held, administered and applied by the Council exclusively in accordance with the provisions of this Scheme.

## **PART III**

### **Administrative Arrangements**

#### **Continuance of Council as Governing Body**

4. For the purpose of carrying this Scheme into effect the Council shall continue to be the governing body of the Trust.

#### **Business Arrangements**

5. The business of the Trust shall stand referred to the Education Committee and the Council before exercising any power conferred upon them by this Scheme shall, unless in their opinion the matter is urgent, receive and consider the report of the Education Committee with respect to the matter in question, provided always that it shall be in the power of the Council to delegate any or all of their said powers to the Education Committee. The said business may be transacted either at ordinary meetings of the Council or of the Education Committee or at meetings summoned for the purpose which shall be convened and conducted according to the ordinary rules and practice of the Council or of the Education Committee.

## Rules and Standing Orders

6. It shall be in the power of the Council to make such rules and Standing Orders as they think fit for the exercise of their functions under this Scheme, provided that the said rules and Standing Orders shall not be inconsistent with the provisions of this Scheme.

## Conditions of Award of Scholarships, Etc

7. (i) When awarding scholarships, grants or other assistance to young people under this Scheme, the Council
- (a) may take into account by such means as they think fit, the attainment, merit and promise of each candidate to whom they make an award, and
  - (b) may have regard to the financial and other circumstances of each candidate and to the expenses likely to be incurred by the candidate and may take account of any other bursaries or grants awarded to the candidate.
- (ii) Each scholarship or grant shall be tenable for one year and it shall be in the power of the Council to extend the period of tenure from year to year provided that they are satisfied with the progress being made by the holder of the award.

## Withdrawal of Awards

8. The Council may require the recipient of any scholarship, grant or other assistance under this Scheme to satisfy them that satisfactory progress is being made in the course of study. If in the opinion of the Council any such recipient shall be guilty of serious misconduct or shall fail to make reasonable progress, the Council may withdraw the scholarship, grant or assistance or suspend the recipient from the benefits thereof, and their decision in any such case shall be final.

## PART IV

### Financial Arrangements

#### Powers of Investment and Administration

9. (i) The Council shall have all relevant powers as conferred on Trustees by the Trusts (Scotland) Acts 1921 and 1961 and in regard to the investment of the funds constituted or continued by this Scheme, or of additional endowments received in terms of Section 10, the Council shall have all powers competent to them under the Law of Scotland and, in particular, the power to dispose of all or part of the property described in the First Schedule hereto by sale, feu, lease, excambion, or otherwise.
- (ii) The Council shall have power to apply the whole or part of the capital or income of the Trust to the purchase or lease of heritable property for the purposes referred to in Section 13.

### **Additional Donations**

10. It shall be in the power of the Council to receive donations, legacies, annuities, subscriptions and other gifts (hereinafter referred to as "additional donations") for the purposes of this Scheme, or for purposes connected therewith. Such additional donations shall be applied in accordance with the directions of the respective testators or donors. In the absence of any specific direction relating thereto the Council shall add any additional donation to the capital or income of the Trust or in such proportions as they think fit to both the said capital and income.

### **Redemption of Periodical Payments**

11. Where annual or other periodical payment is made to the Council under any deed of mortification or other instrument or under this Scheme, it shall be lawful for the Council to enter into an agreement with the debtor in the obligation for the redemption of the said payment, provided that the sum to be paid to the Council shall be sufficient when invested under the powers contained in Section 9 of this Scheme to yield an income equivalent to the said payment.

### **Variation of Preferences, Etc.**

12. If at any time the ratio between the income of the endowment and any sums set forth in a plan approved under this Scheme shall be materially altered by an increase or decrease in the said income, it shall be in the power of the Council to restore the said ratio by making an increase or decrease in the said sums.

## **PART V**

### **PURPOSES OF THE TRUST**

#### **Use of Heritable Property**

13. Heritable property forming part of the Trust property may be used by the Council, or may be permitted by the Council to be used by others, for education or training to enable young people from the Highlands and Islands or of Highland descent to equip themselves better for advancement in life or otherwise to realise their full potential in their chosen fields of endeavour, or may be sold, leased or otherwise turned to account for the purposes of the Trust.

#### **Application of Income**

14. (i) The Council after paying the expenses of this Scheme and the necessary expenses of management and the burdens and taxes affecting the Trust shall in each financial year apply as nearly as possible the whole of the free income of the Trust, including any balance carried forward from the previous financial year and sub-section (ii) of this section, in conformity with the plans to be approved from time to time in accordance with Section 15 of this Scheme, provided that no expenditure shall be incurred under an approved plan in relief of expenditure which would in the absence of the endowment ordinarily be incurred from any



other fund.

- (ii) If at the end of any financial year there is an unexpended balance of income it shall be in the power of the Council to carry the said balance or part thereof forward to the following financial year or to add the said balance or part thereof to the capital of the Trust.

#### **Submission and Approval of Plans**

- 15. (i) The Education Committee shall within six months from the date of commencement of this Scheme prepare and submit for the approval of the Council a plan for the exercise of their powers under Section 16. The Education Committee may at any time, and shall if and when so required by the Council, prepare and submit for the Council's approval a revised plan or an amendment of the existing plan. Plans shall be in the form prescribed in the Second Schedule hereto.
- (ii) The Council may approve with or without amendment the plan, revised plan or amendment submitted to them under this Section and thenceforth it shall be the duty of the Council to carry the same into effect as so approved.

#### **Awards under the Scheme**

- 16. (i) The Council may award scholarships or grants of such annual value as they think fit to young people from the Highlands and Islands or of Highland descent who propose to follow a course of study at a College of Further Education, other institution or training centre.
- (ii) The Council may award such other scholarships, grants or assistance to young people from the Highlands and Islands or of Highland descent as the Council may from time to time deem appropriate to enable such young people to equip themselves better for advancement in life or otherwise to realise their full potential in their chosen fields of endeavour.
- (iii) The Council may make payments to persons or bodies providing education or training, or the Council may themselves make provision when to do so will, in the opinion of the Council, benefit such young people in the manner aforesaid


**PART VI****MISCELLANEOUS PROVISIONS****Copies of Scheme**

17. The Council shall maintain a supply of printed copies of this Scheme and shall cause a copy to be kept available for inspection by any member or officer of the Council and of the Education Committee and copies shall be sold at a reasonable price to all persons applying for them.

Sealed with the Common Seal of The Highland Council pursuant to resolution of the Council dated the Twenty Fifth day of February and signed for them and on their behalf by Malcolm Alexander Mead McRae, Proper Officer at Inverness on the Seventh day of June both in the year Nineteen Hundred and Ninety Nine.

Council Buildings  
Glenurquhart Road  
INVERNESS



  
Proper Officer

## FIRST SCHEDULE

- (1) ALL and WHOLE those parts of the lands and Estate of Duncraig in the County of Ross and Cromarty described in, disposed by and delineated and coloured pink on the plans annexed and signed as relative to the Disposition by Dame Margaret Elizabeth Brown or Hamilton, of Balmacara, in favour of the County Council of the County of Ross and Cromarty dated Fourteenth March and recorded in the General Register of Sasines applicable to the County of Ross and Cromarty on Twenty-sixth September both Nineteen hundred and Forty-six.
- (2) ALL and WHOLE the lands and Estate of Duncraig and the crofting township of Craig in the Parish of Lochalsh and County of Ross and Cromarty conveyed by the Disposition by Sir Kenneth Matheson in favour of Mrs Lilian Stephen or Fletcher dated Twenty-third and Twenty-fifth and recorded in the said Division of the General Register of Sasines on Twenty-eighth December Nineteen hundred and Sixteen, under the exceptions mentioned in the Disposition by the Chartered Bank of India, Australia and China and James Hamilton as Trustees of the late Lady Margaret Elizabeth Hamilton of Balmacara in favour of the County Council of the County of Ross and Cromarty dated Twenty-eight February and Fifth March and recorded in the said Division of the General Register of Sasines on Seventeenth March all Nineteen hundred and Forty-seven.

This is the First Schedule referred to in the foregoing Scheme for the reorganisation of the Duncraig Castle College Educational Endowment.



..... Proper Officer

## SECOND SCHEDULE

A

Plan of Scholarships and Grants (Section 16(i))Scholarships and Grants Allocated to Former Pupils ofHighland Council Secondary Schools

<u>Number of Scholarships/Grants</u>	<u>Amount</u>	<u>Persons to recommend Award</u>
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Scholarships and Grants Allocated to Former Pupils from Schools outwith Highland Council Area

<u>Number of Scholarships/Grants</u>	<u>Amount</u>	<u>Persons to recommend Award</u>
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B Plan of other Scholarships, Grants or Assistance to Individuals (Section 16 (ii))

<u>Number</u>	<u>Amount</u>	<u>Purpose</u>
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Criteria to be considered by Persons Recommending Award of Scholarships, Grants or Assistance

- School attended:
- Maximum age at commencement of course:
- Place of Residence:
- Type of College, other institution or training centre to be attended:
- Type of course:
- Other Criteria

C Plan of Payments to Providers of Education or Training (Section 16(iii))

<u>Number</u>	<u>Amount</u>	<u>Purpose</u>
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This and the preceding page comprise the Second Schedule referred to in the foregoing Scheme for the re-organisation of the Duncraig Castle College Educational Endowment.



.....Proper Officer