

Agenda Item	13.
Report No	EDU/33/24

The Highland Council

Committee: Education Committee

Date: 21 November 2024

Report Title: Educational Trusts

Report By: Assistant Chief Executive - People

1. Purpose/Executive Summary

1.1 This report provides background on the variety of educational trusts held by The Highland Council. It broadly outlines the recent work undertaken to update the various trust schemes in order to improve governance and ensure that children, young people and adult learners benefit from the intentions and bequests of the scheme founders.

2. Recommendations

2.1 Members are asked to:

- i. Note the work undertaken on behalf of Elected Members (the Trustees) to update the various trust schemes.
- ii. Approve the formation of the Educational Trust Fund Sub-Committee, to meet twice a year to receive trust reports and make decisions on grants, bursaries, and scholarships.
- iii. Approve the proposed remit, as set out in section 8.4, and membership of the Sub-Committee.

3. Implications

3.1 Resource

There are significant funds held by The Highland Council in trust for the educational benefit our community. For the financial year 2023-24, this amounted to approximately £3m in capital funds, and a further £0.43m in revenue reserves. Assets include investments carried at a cost of £0.068m, which had a market value of £2.439m at 31 March 2024. The trusts generated revenue funds of approximately £0.175m for that year.

Awards from the various trust funds amounted to approximately £0.035m, with the surplus, after payments of other expenses, returned to capital funds and reinvested.

- 3.2 **Legal**
The main trust schemes, listed in **Appendix 2**, are part of the Highland Council Charitable Trusts and Highland Charities Trusts, and are subject to the governance requirements of The Office of The Scottish Charity Regulator and provisions of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities (Regulation and Administration) (Scotland) Act 2023. There are also a number of other endowment funds which, whilst not charities in themselves, should be administered to the standards of The Highland Council Financial Regulations.
- 3.3 **Risk**
Currently a number of trust schemes and smaller endowment funds are in abeyance - some for a number of years. This is not in line with the intentions or trust deeds of the original benefactors.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)**
There are no specific implications arising from this report.
- 3.5 **Gaelic**
The review and modernisation of the trust schemes notes the original intentions to promote the use of Gaelic language and culture. With refreshed trust schemes, there are renewed opportunities to offer grants which promote Gaelic.

4. **Impacts**

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children’s Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 **Integrated Impact Assessment - Summary**
- 4.3.1 An Integrated Impact Assessment screening was undertaken on 9th September 2024. The conclusions have been subject to the relevant Manager Review and Approval.
- 4.3.2 The screening process has concluded that there are positive impacts for equalities, poverty and human rights by modernising and improving governance of educational trusts. There is a need to update the privacy notice on the council’s website. There are no known negative impacts for island and mainland rural communities and no known additional impacts around climate change. Members are asked to consider the summary in **Appendix 1** to support the decision-making process.
- | 4.3.3 Impact Assessment Area | Conclusion of Screening/Full Assessment |
|-------------------------------------|---|
| Equality | <ul style="list-style-type: none"> • Children and Young People – <i>Positive impact.</i> • Children affected by disability – <i>No impact.</i> • Older adults – <i>No impact</i> |

Socio-economic	<i>Positive impact</i>
Human Rights	<i>Positive impact</i>
Children's Rights and Well-being	<i>Positive impact</i>
Island and Mainland Rural	<i>No impact</i>
Climate Change	<i>No impact</i>
Data Rights	<i>No impact</i>

5. The Highland Council Charitable Trusts (Scottish Charity Number SC025079)

5.1 The Highland Council Charitable Trusts combines a number of educational trusts for various areas within Highland. The charity combines the following educational trusts:

Trust	Funds Held Capital & Revenue	Cost of investments inc in Funds Held	Market value of investments	Income
Inverness-shire Educational Trust	£0.474m	£0.027m	£0.700m	£0.029m
Ross & Cromarty Educational Trust	£0.830m	£0.035m	£1.315m	£0.045m
Caithness Educational Trust	£0.168m	N/A		£0.008m
Sutherland Educational Trust	£0.114m	N/A		£0.005m
Duncraig College Fund	£0.000m (£292)	N/A		£0.000m (£12)
Forbes Meteorological Trust	£0.000m (£322)	N/A		£0.000m (£14)
A M MacKay's Bequest	£0.000m (£151)	N/A		£0.000m (£6)
Duncraig Endowment	£0.819m	N/A		£0.035m
Rounded Total	£2.407m			£2m

5.2 The Charity also incorporates John Kirk's Mortification Trust for the poor of Wick, which also has some education provision. It has a capital of around £10k with an annual income of around £500.

5.3 The following four trusts are also schemes under the Education (Scotland) Acts, 1939 to 1956 for the future government and management of certain educational endowments in these former counties:

- Caithness Educational Trust Scheme 1973
- Inverness-Shire Educational Trust Scheme 1960
- Ross & Cromarty Educational Trust Scheme 1961
- County of Sutherland Educational Trust 1960.

5.4 Due to the age of some of the individual trusts (some from the early nineteenth century), the Trustees do not hold all Trust Deeds. In the absence of governance documentation, the Trustees rely on custom and practice to inform any decisions in respect of the trusts' expenditure and use of assets.

5.5 The trust schemes above, combining a large number of endowments, have largely not been updated in some fifty years. As a result, amounts allocated against specific awards do not reflect modern financial values (some values are pre decimalisation);

and award conditions do not reflect a modern curriculum or address current understanding of equalities and children's rights.

- 5.6 Consequently, these trusts schemes are being updated to reflect current legislation and good governance for the benefit largely of children and young people - and some adult learners.

6. The Highland Charities Trusts (Scottish Charity Number SC044714)

- 6.1 The Highland Charities Trust amalgamated a number of smaller trust funds in 2014 to enable them to be invested and used to better serve the needs of the people of The Highland Council area. The charity includes the following educational funds:

Fund	Funds Held (23-24)	Income (23-24)
Highland Education Fund	£0.008m	£0.000m (£363)
Gairloch High School Fund	£0.024m	£0.001m

7. Other Endowments and Bequests (Not registered as Charities)

- 7.1 In addition to the trusts that are registered as charities above, there are a further 41 endowments and bequests with a reserves value of around £0.998m. Revenue income amounted to approximately £0.050m in the last financial year. Whilst most have capital funds of a few thousand pounds, the largest by far is Inverness Royal Academy Educational Trust (balances for 2023/24):

Trust	Funds Held Capital & Revenue	Cost of investments inc in Funds Held	Market value of investments	Income
Inverness Royal Academy Educational Trust	£0.577m	£0.006m	£0.372m	£0.032m

- 7.2 Apart from administration costs of approximately £2,500 there was no other expenditure in the form of awards or otherwise in the last financial year from these other trusts.
- 7.3 These endowments and bequests would also benefit from modernisation and review.

8. Next Steps

- 8.1 In order to ensure good governance, legal compliance and issuing of awards to children, young people and adult learners, it is proposed that the Education Committee approves the formation of The Educational Trust Fund Sub Committee to meet twice a year (or more as necessary) to receive reports, recommendations and approve the awarding of grants, scholarships and prizes across the Highland Council area.
- 8.2 Should there be approval to form a sub-committee, it would be necessary to have the first meeting in December to scrutinise the proposed modernised schemes in order that grant applications may be opened in January. The new arrangements would be reviewed after 6 months, and an update report brought to Committee.

8.3 It is recommended that the sub-committee comprise the Chair and Vice Chair of the Education Committee and seven other Members. The proposed membership, in accordance with the political formula, will be tabled at the meeting.

8.4 The proposed remit of the sub-committee is as follows:-

In acting as Trustees, conduct the affairs of the Educational Trusts and make all necessary decisions in line with The Charities and Trustees Investment (Scotland) Act 2005, including but not limited to:

- i. Delegating administrative duties to Council officers
- ii. Receiving reports on Trust activity
- iii. Approving Educational Trust Schemes
- iv. Making awards in line with the Approved Plan for each Trust Scheme.

Designation: Assistant Chief Executive - People

Date: 8 November 2024

Author: Derek Martin

Background Papers:

Appendices: Appendix 1 – Integrated Impact Assessment
Appendix 2 – Trusts, Endowments and Bequests List

Integrated Impact Assessment Screening

This Impact Assessment is marked as confidential or sensitive. If you intend to share this document please check with the Responsible Manager who this can be shared with.

About proposal

What does this proposal relate to? Redesign or change to existing service

Proposal name: Review and Modernisation of Educational Trusts

High level summary of the proposal: Review and modernisation of various educational trusts from the 1960s to bring them into line with modern governance and charity law.

Who may be affected by the proposal? Schools, children and young people, training clubs and organisations

Start date of proposal: 30/06/2024

End date of proposal:

Does this proposal result in a change or impact to one or more Council service? Yes

Which Council services will be impacted by this proposal? People

Does this relate to an existing proposal? No

Author details

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Responsible officer details

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Sign off date: 2024-09-09

Equalities, poverty, and human rights

Protected characteristics

Select what impact the proposal will have on the following protected characteristics:

Sex: No impact

Age: No impact

Disability: No impact

Religion or belief: Positive

Race: No impact

Sexual orientation: No impact

Gender reassignment: Positive

Pregnancy and maternity: No impact

Marriage and civil partnership: No impact

Protected characteristics impact details: The modernisation of the trusts could reflect awards being made to children and young people, rather than boys or girls. Consideration will also be given to religion in the round to reflect a multi faith society in Highland. The trusts are specifically for the benefit of children and young people.

Poverty and socio-economic

What impact is the proposal likely to have on the following?

Prospects and opportunities: Positive

Places: Positive

Financial: Positive

Poverty and socio-economic impact details: Prospects and opportunities- bursary and scholarship awards help support transport, accommodations, resources and fees for tertiary education. Places- many of the awards are pan Highland. Efficient advertising will help raise awareness for the most vulnerable areas and communities and may also help with rural transport costs. Financial Impact- Awards may help alleviate pressure on young people and their families to access tertiary education.

Human rights

Which of the below human rights will be affected by this proposal?

Article 10: Freedom of expression, Article 14: Protection from discrimination, Other human rights will be affected

What impact do you consider this proposal to have on the human rights of people? Positive

Human rights impact details:

Refer to next section on UNCRC Children's Rights

Equalities, poverty and human rights screening assessment

What impact do you think there will be to equalities, poverty and human rights? Positive impact

Is a Full Impact Assessment required? No

Children's rights and wellbeing

What likely impact will the proposal have on children and young people?

The educational trust funds goals are to help improve the lives of children and young people. The review and modernisation of the trusts will help ensure that the schemes are fit for purpose and in line with legislation.

Which of the below children's rights will be affected by the proposal?

You are working in the best interests of the child (Article 3), Children have a right to education (Article 28)

Explain how the children's rights selected above will be affected:

UNCRC Rights of the Child

Article 3: The best interests of the child are the focus of the trusts

Article 4: The local authority recognises its role in ensuring that up to date governance is required to administer funds for the benefit of children and young people

Article 6: The trustees recognise that the trusts governing documents are intended to support children and young people's development beyond the formal curriculum

Article 12: Administrators of the trust recognise that children and young people views and feelings should be respected by ensuring an easy application process to trust funds

Article 13 and 17: Administrators recognise that children and young people should have various sources of information to access trust funds including website information and other media

Article 28,29 and 31: Trustees and administrators recognise that education comes in many forms from formal to informal curriculum, learning and activities. Trust schemes support learning activities in a broad manner

Children's rights and wellbeing screening assessment

What impact do you think there will be to children's rights and wellbeing? Positive impact

Is a Full Impact Assessment required? No

Data protection

Will your proposal involve processing personal data? Yes

Is any of this data already processed by the Highland Council? Yes

What is the purpose of the personal data being processed? To allow effective administration and payment of awards

Is there an up-to-date privacy notice available on the Highland Council website? No

Data protection screening assessment

What change will there be to the way personal data is processed? No significant change to current processing

Is a Full Impact Assessment required? No

Island and mainland rural communities

Does your proposal impact island and mainland rural communities? Yes

Could people in island and mainland rural communities be affected differently? Yes

How could the impact differ?

Those from rural and island communities may be affected by increased travel costs to access tertiary education or other training and development opportunities.

Have any negative impacts been identified? No

Island and mainland rural communities screening assessment

What impact do you think there will be to island and mainland rural communities? Minor differences

Is a Full Impact Assessment required? No

Climate change

Does the proposal involve activities that could impact on greenhouse gas emissions (CO₂e)? Yes

Does the proposal have the potential to affect the environment, wildlife or biodiversity? No

Does the proposal have the potential to influence resilience to extreme weather or changing climate? No

Provide information regarding your selection above:

There is often a necessity to travel significant distances to access the opportunities available for trust support.

Climate change screening assessment

Have you identified potential impact for any of the areas above or marked any as not known? No

Is a Full Impact Assessment required? No

Overview of Charity Trusts, Other Trusts, Endowments and Bequests

Description	Capital Funds	Current Assets	Long Term Assets	Revenue Expenditure	Revenue Income	Revenue Funds	Investment Value
HCT Highland Education Fund (all)		8,138.98		338.08	(363.41)	(8,138.98)	
Robert Charles Grant's Bequest	(100.00)	867.19			(37.18)	(767.19)	
George Harvey's Bequest	(138.46)	280.33			(12.02)	(141.87)	
Gr Cruickshank Bq Kingussie HS	(2,000.00)	2,939.29			(126.01)	(939.29)	
META MacBean - Kingussie HS	(44,173.15)	50,285.04		21.76	(2,156.65)	(6,111.89)	
Manson Bequest Keiss		104,092.37		370.58	(4,839.42)	(104,092.37)	
Mrs W Stewart Bequest	(1,040.17)	1,862.20			(79.83)	(822.03)	
Miss B G Angus Executory	(10,885.90)	11,742.26			(503.39)	(856.36)	
The Waters Family Bequest	(5,000.00)	8,049.10		10.85	(345.53)	(3,049.10)	
HCCT Caithness Ed Trust	(93,020.31)	168,311.27		10,937.18	(7,495.92)	(75,290.96)	
Glasgow/Inverness-Shire Trust	(440.90)	845.95			(36.27)	(405.05)	
Inverness Royal Academy E.T.	(576,181.97)	570,973.15	5,708.82	1,500.00	(32,050.23)	(500.00)	372,152.55
George Macdonald	(1,000.00)	1,411.96			(60.53)	(411.96)	
Belgian Youth Exchange Scheme		2,785.72		15.86	(120.10)	(2,785.72)	
HCCT Inverness-Shire Ed Trust	(474,430.45)	446,607.62	28,322.83	1,113.63	(29,433.59)	(500.00)	699,965.30
HCCT Forbes Meteorologic Trust	(200.00)	322.62			(13.83)	(122.62)	
HCT Lochaber Education Fund		26.32			(1.13)	(26.32)	
George Kerr Bequest	(20,353.19)	24,400.36		14.41	(1,046.66)	(4,047.17)	
Davidina Ross Bequest	(284.22)	926.91			(39.74)	(642.69)	
Moray & Nairn Part		2,610.66		9.29	(112.32)	(2,610.66)	
Manson Bequest Nairn & Ardclac		134,450.37		478.66	(5,964.94)	(134,450.37)	
Manson Bequest Nairn		2,170.90		7.73	(183.68)	(2,170.90)	
Mcbean Bequest	(263.63)	426.45			(18.28)	(162.82)	
James Thomson Macleods Bequest	(200.00)	2,150.30		6.94	(92.48)	(1,950.30)	
Nairn Academy Prize Fund	(35.45)	85.56			(3.67)	(50.11)	
Bremner Prize	(351.80)	600.97			(25.76)	(249.17)	

Appendix 2

Margaret F Brown - Revenue	(1,551.72)	3,176.54		5.78	(136.43)	(1,624.82)	
Campbell Hinton Memorial Prize	(149.31)	344.94			(14.79)	(195.63)	
Miss E M Kennedy - Revenue	(320.00)	492.63			(21.12)	(172.63)	
Janet Melville Memorial Prize	(823.57)	6,277.81		19.42	(269.96)	(5,454.24)	
MacIntosh Bequest	(400.00)	609.22			(26.12)	(209.22)	
Hugh Noble Sports Fund	(200.00)	331.45			(14.21)	(131.45)	
Robert & Gilbert Robinson Beq	(240.00)	703.07			(30.14)	(463.07)	
Dr R.S. Doig Memorial Award	(1,313.30)	7,279.46		21.24	(312.98)	(5,966.16)	
John Mackay Prize	(214.58)	637.59			(27.33)	(423.01)	
Mrs Jane Macpherson Prize	(200.00)	926.97			(39.74)	(726.97)	
HCCT Ross & Cromarty Ed Trust	(826,975.28)	794,978.65	36,996.63	21,970.50	(44,707.58)	(5,000.00)	1,314,122.51
HCCT Duncraig College Fund		292.07			(12.52)	(292.07)	
HCCT Duncraig Endowment	(793,348.91)	819,487.69		11,946.21	(35,476.21)	(26,138.78)	
Iain Murray Memorial Fund	(150.00)	609.97			(26.15)	(459.97)	
Cam. Crickshank Bq Portree HS	(2,000.00)	2,738.37			(117.39)	(738.37)	
Cam. Cruickshank Bq Glenelg PS	(2,000.00)	2,504.63			(107.37)	(504.63)	
Howard Doris Fund -Plockton HS	(30,168.97)	31,743.28		5.60	(1,361.07)	(1,574.31)	
Sinclair Mann Bequest	(100.00)	773.20			(33.15)	(673.20)	
David Ross Bursary Fund	(1,050.00)	1,632.32			(69.98)	(582.32)	
Eleanor Sutherland'S Bequest	(1,000.00)	1,315.15			(56.38)	(315.15)	
Jessie Gordon - Melness Prize	(4,000.00)	6,714.79		9.66	(288.28)	(2,714.79)	
Dornoch Academy Prize Fund		(3,273.03)				3,273.03	
McKay & J MacKenzie MM Rogart		2,967.87		10.57	(127.69)	(2,967.87)	
HCCT Sutherland Ed Trust	(113,673.20)	114,073.20		506.19	(4,912.00)	(400.00)	