

Stourbridge Area Committee – 19th January 2009

Report of the Director of Finance

The Ernest Stevens Trusts – Final Accounts

Purpose of Report

1. To consider, approve and sign the accounts and annual returns of the individual Trusts comprising the Ernest Stevens Bequests

Background

2. Ernest Stevens made various donations of property to the Council, which were to be used for specific purposes. These have been identified as individual Trusts and detailed below:
 - a.) Mary Stevens Maternity Home and Public Park Charity
 - b.) Mary Stevens Park, recreation Ground and Park, Norton
 - c.) Stevens Park, Quarry Bank
 - d.) Stevens Park and Recreation Ground Foundation, Wollescote
3. Only the Stevens Park and Recreation Ground Foundation has investments, which generate income for disbursement.
4. Members will be aware that the four Ernest Stevens Trusts are now combined under the control of this Committee.
5. The annual income of the Stevens Park & Recreation Ground Foundation Trust may be applied under the terms of the Trust Deed in one or more of the under-mentioned ways:-
 - a) the maintenance and improvement of the property for the time being belonging to the Foundation;
 - b) the acquisition and layout of additional land to be held in Trust;
 - c) the maintenance and the improvement of property held under the terms of the original Trusts dated 6th December 1929 and 13th February 1931.
 - d) the provision of facilities for recreation or other leisure time occupation with the object of improving the conditions of life of residents in the area of the former Borough of Stourbridge.
6. In so far, in the opinion of the Council, that the net income of the Trust cannot be usefully and beneficially applied in accordance with the provisions in the foregoing paragraph, it may be applied for such other charitable purposes for the benefit of

persons resident within the former Borough of Stourbridge as the Council may determine.

7. In the application of the income of the Foundation, the Council should give preference to the area of the former Urban District of Lye and Wollescote and to meeting the needs of the people resident therein.
8. As the Committee is aware, the Director of Law and Property has been in correspondence with the Charity Commission regarding the ability of the committee, as Trustee, to award grants under clause 7(2) of the 1966 Scheme as outlined in Paragraph 6. In view of the fact that the Council uses funds from its mainstream budget to maintain and improve Mary Stevens Park, the Area Committee is able to take the view that any surplus income available to the Trust may be allocated in furtherance of clause 7(2). This means that the Area Committee may continue to make grants in respect of applications that satisfy the criteria set out in Paragraph 6.
9. The Charity Commission has also advised that any funds from the Council's mainstream budget to further the objects of the Charity should be shown as income and expenditure in the Charity's accounts
10. The Statement of Accounts for each of the Trusts are shown in Appendix 1. (Note: Post Balance Sheet Event: At the meeting of this Committee on 17th November 2008 it was agreed that all interest earned for the forthcoming 5 municipal years 2009-2014, (subject to agreed reserves policy) should be earmarked towards the renovation of the gates at Mary Stevens Park. However, applications could still be considered in the light of exceptional need or circumstance)

Finance

11. The accounts of the Trust have been independently examined by the Head of Audit Services. The accounts and the signed Independent Examiner's certificate will be lodged with Charity Commissioners, after approval by the Trustees.
12. The investment of resources is regulated by the Trustee Investment Act 1961. This Act puts limits on the power of Trustees in investing the funds in stocks, shares and bonds

Law

13. The Council is successor the former Stourbridge Council by virtue of the Local Government Act 1972
14. Section 139 of the Local Government Act , 1972 empowers the Council to accept, hold and administer gifts of property, where it enables them to discharge any of their functions, and where the gifts are for the purposes of benefiting the inhabitants of their area
15. The conditions under which a gift is to be administered, are contained in the Deed creating the Trust, and any subsequent schemes made by the Charity Commission.

16. The law relating to Trusts, which are charitable, is contained in various Acts, the main ones being the Charities Act, 1960, the Charities Act 1992 and 1993 and the Trustee Investment Act, 1961

Equality Impact

17. The Trusts have been set up to benefit the public of the Borough of certain geographical areas of the Borough as outlined in the Deeds of Gift

Recommendation

18. It is recommended that:-

- a) The Committee approve the accounts of the Trusts, on behalf of the Council in their capacity as Trustees
- b) The Chair be authorised to sign the accounts on behalf of the Committee



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Director of Finance

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