

Ernest Stevens Trusts Management Committee – 24th October 2017

Report of the Chief Officer Finance and Legal Services

Ernest Stevens Trusts - Final Accounts

Purpose

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

Recommendations

2. 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.

Background

3. Ernest Stevens made various donations of property which were to be used for specified purposes. These have been identified as individual Trusts and detailed below:
 - i. Mary Stevens Maternity Home and Public Park Charity.
 - ii. Mary Stevens Park, Recreation Ground and Park, Norton.
 - iii. Stevens Park, Quarry Bank.
 - iv. Stevens Park and Recreation Ground Foundation, Wollescote
4. Only the Stevens Park and Recreation Ground Foundation, Wollescote has investments, which generate income for disbursement.
5. The income of the Stevens Park and Recreation Ground Foundation Trust shall be applied in one or more of the following ways:
 - a. The maintenance and improvement of the property for the time being belonging to the Foundation:
 - b. The acquisition and laying out of additional land to be held in trust for the Foundation;
 - c. The maintenance and improvement of the property for the time being held by the Council on trust for the charitable purposes specified in deeds dated 6th December 1929 (Mary Stevens Park, Norton) and 13th February 1931 (Mary Stevens Maternity Home and Public Park)

- d. The provision of facilities for recreation or other leisure time occupation, being facilities provided with the object of improving the conditions of life for persons resident in the Borough of Stourbridge.
 - e. Where in the opinion of the Council, the net income of the Foundation cannot be usefully and beneficially applied in accordance with the provisions of the last sub clause, it may be applied for such other charitable purposes for the benefit of persons resident in the Borough of Stourbridge as the Council may determine.
6. In 2001, the Charity Commission confirmed the opinion that because the Council uses its mainstream budget to maintain all the property in the trusts, it is permitted to give grants under paragraph (e)
7. In the application of the income of the Foundation, the Trustees have discretion to 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. There is no set maximum amount stipulated in the Trust deed for a grant.
9. At a previous meeting the Trustees agreed that subject to retaining the flexibility to consider each and every application on its own merit and to award grants at their discretion in special and exceptional circumstances, in accordance with the overall terms of the Trust Deed , the Trustees will apply the general criteria as follows;
 - a. Applications will normally be considered if they are for capital purposes up to a maximum grant of £5,000 or 50% of the project cost, whichever is the lower.
 - b. Consideration will be given to the applicant's ability to self fund the expenditure or to obtain funding from alternative sources;
 - c. Applicants will be able to apply for further funding from the Trust upon the expiry of two years from the date of the Committee meeting at which the previous grant award was approved.
10. At a previous meeting of this Committee, the Trustees agreed to continue a policy setting out the level of reserves needed to meet the objectives of the Charity. This policy was to maintain the "Real" spending power of the bequest i.e. the permanent funds, as a fundamental part of the investment strategy. Therefore before any grants are awarded, it is confirmed that the value of the permanent funds adjusted for inflation has been maintained.
11. This Committee has the delegated power to act on behalf of the Trustee, Dudley MBC for the four Ernest Stevens Trusts.
12. It has been agreed with the Charity Commission to account for income generated at individual sites directly. This greater detail was shown in the 2015/16 Statement of Accounts for the first time.
13. A Statement of Accounts for the Trusts is attached as Appendix 1.

Finance

14. 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 sent to the Charity Commissioners, after approval by the Trustees.
15. 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

16. The Council is successor to the former Stourbridge Council by virtue of the Local Government Act 1972.
17. 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.
18. The law relating to Trusts, which are charitable, is contained in various acts, the main one being the Charities Act 2011.
19. 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.

Equality Impact

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

Human Resources/Transformation

21. The proposals in this report do not have any direct Human Resources / Transformation implications.



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Iain Newman
Chief Officer Finance and Legal Services

Contact Officer: James Croft
Telephone: 01384 815365
Email: james.croft@dudley.gov.uk