

## **REPORT TO ABERDEENSHIRE EDUCATIONAL TRUST SUB-COMMITTEE – 9 SEPTEMBER 2022**

### **ABERDEENSHIRE EDUCATIONAL TRUST (AET) – FINANCIAL UPDATE**

#### **1 Executive Summary/Recommendations**

1.1 The report provides an update on the financial position of the Trust for the period to 31 August 2022.

#### **1.2 The Sub-Committee is recommended to:**

**1.2.1 Note the financial position of the Aberdeenshire Educational Trust at 31 August 2022; and**

**1.2.2 Agree that the Travel, Further Education grants are increased to £609 and the School Excursion grant is increased to £1,218.**

#### **2 Decision Making Route**

2.1 The purpose of this report is to give an update to Trustees on the grants disbursed from the Trust and the income received in the current financial year.

#### **3 Discussion**

3.1 At its meeting on 19 March 2021, the Sub-Committee agreed to receive regular updates on the Aberdeenshire Education Trust (AET) income and expenditure.

3.2 At the start of the current financial year the balance held within the AET was £4,459,429.08. These monies are invested in a mixture of external investments and the Council's Loans Fund.

3.3 In the period from 1 April 2022 to 31 August 2022 £45,649.26 has been paid out in grants from the AET. The breakdown of the grants is shown below. For information the table includes the total amounts distributed in the previous two financial years.

	<b>2022/23</b>	<b>2021/22</b>	<b>2020/21</b>
	To 31 August	To 31 March	To 31 March
<b>Trust Scheme Section</b>	<b>£</b>	<b>£</b>	<b>£</b>
20 – Post Graduate Scholarship	0.00	1,021.99	0.00
21 – Supplementary Bursary	0.00	716.23	0.00
24 – Travel Grants	28,263.71	13,237.00	586.20
25 – Further Education	10,836.93	50,033.41	39,835.72
27 – Sports Facilities	0.00	26,354.47	0.00
28 – Special Equipment	0.00	89,739.95	103,650.00
30 – School Excursions	6,548.62	3,009.75	317.61
Preference Grants	0.00	3,728.75	3,728.75
School Prizes	0.00	614.63	614.63
	<b>45,649.26</b>	<b>188,456.18</b>	<b>148,732.91</b>

- 3.4 Applications for travel grants and school excursions are increasing, to date grants of over £21,000 have been provisionally awarded for trips due to take place in the current financial year. Grants are not paid until the trip has taken place.
- 3.5 Applications for further education grants are normally received after the start of the academic year so although only a relatively small amount has been awarded at 31 August 2022 it is anticipated that demand will continue to rise.
- 3.6 Further applications have been received and are to be considered on this agenda, the total amount requested is £35,571.98.
- 3.7 Preference Grants and School Prizes are paid out annually at the financial year end. The amounts are currently set at £3,728.75 and £614.63 retrospectively.
- 3.8 At its meeting on 11 March 2022, Trustees agreed to the use of Trust funds to pay for external legal advisors to help modernise the Trust. Morton Fraser have been appointed and an initial meeting has been scheduled with them to agree a timeline which will include mutually agreeable dates for Trustees to meet with them.
- 3.9 The level of grant awarded for Travel, Further Education and School Excursions is reviewed annually in line with the Retail Price Index (RPI) at July. The RPI has increased by 12.3% from July 2021. Using this method, the maximum grant will increase from £542 to £609 for Travel and Further Education and from £1,084 to £1,218 for School Excursions.
- 3.10 In the period to 31 August 2022, £28,610 has been received in dividends. Interest of £4,480 was received for the period April to July 2022 and is higher than previous years due to increasing interest rates. Dividends from the external investments are received throughout the year and fluctuate according to market conditions.

Type of Income	2022/23	2021/22	2020/21
	To 31 August	To 31 March	To 31 March
	£	£	£
Interest received from Council's Loans Fund	4,480.00	1,351.57	4,840.74
Dividends Received	28,610.00	88,681.11	80,133.80
Donation from the Robb Trust	0.00	20,000.00	21,246.95
	<b>33,090.00</b>	<b>110,032.68</b>	<b>106,221.49</b>

- 3.11 If all the applications on this agenda are awarded the total expenditure, either paid or committed, will be £116,564.62. The annual income is expected to be similar to the previous two financial years. It is difficult to predict the demand for grants, but it is probable that balances from previous years will be required to meet the shortfall.

#### 4 Council Priorities, Implications and Risk

- 4.1 The work of the Sub-Committee has the potential to impact on all of the Council's priorities including Our People – Education and Health and Wellbeing, Our Environment – Resilient Communities and Our Economy – Economy and Enterprise.
- 4.2 The table below shows whether risks and implications apply if the recommendations are agreed.

Subject	Yes	No	N/A
Financial		x	
Staffing			x
Equalities and Fairer Duty Scotland			x
Children and Young People's Rights and Wellbeing			x
Climate Change and Sustainability			x
Health and Wellbeing			x
Town Centre First			x

- 4.3 The screening section as part of Stage One of the Integrated Impact Assessment has not identified the requirements for any further detailed assessments to be undertaken. Section 193 of the 2010 Equality Act contains an exemption for charities which make positive discrimination to groups or individuals on the basis of their disadvantage. Insofar as the charity purposes discriminate positively in favour of individuals or groups on the basis of poverty, age, disability, or other disadvantage, and does not have a differential impact on any of the protected characteristics.

#### 5 Scheme of Governance

- 5.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and had no comments to make and are satisfied that the report complies with the [Scheme of Governance](#) and relevant legislation.

- 5.2 The Council is acting through powers granted to them by the Aberdeenshire Educational Trust Scheme 1955 as amended by the Aberdeenshire Educational Trust Amendment Scheme 1966 and not through the Scheme of Governance. The Sub-Committee has power to consider this report in terms of the Trust Scheme.

**Ritchie Johnson**  
**Director of Business Services**

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