

## REPORT TO BANFF & BUCHAN AREA COMMITTEE – 16 APRIL 2019

### ABERDEENSHIRE CHARITIES TRUST (ACT2) – FINANCIAL MANAGEMENT

#### 1. Recommendations -

The Committee is recommended to:

- 1.1 review current maximum and minimum thresholds of awards and agree that either these thresholds are still appropriate, or agree new thresholds;
- 1.2 review the split of ward balances between Capital and Revenue and agree that either these are still appropriate, or agree to a new split;
- 1.3 agree to receive a report to review the thresholds and Capital and Revenue splits following the next review of ACT2 by the ACT2 Committee

#### 2. Background / Discussion

- 2.1 ACT2 (Aberdeenshire Charities Trust) (“ACT2”) is obligated to ensure the effective financial management of the funds held. At a meeting of the ACT2 Committee on 27<sup>th</sup> September 2018, officers advised members that Area Committees would review the maximum and minimum awards, as well as the split between Capital and Revenue for the ACT2 budgets.
- 2.2 Applications to the trust are determined by Area Committee to ensure local decision making. At the meeting of ACT 2 on 27<sup>th</sup> September 2018, it was noted there has been very little uptake of funding available during the year. For Banff and Buchan, two awards totalling £1,250 were made, however one applicant no longer required funding of £250 as they received funding from another source. It was agreed by ACT 2 to continue to publicise the funding available and to monitor uptake for a further 12 months.
- 2.3 Area Committees agree both the maximum and minimum thresholds for each area under each charitable purpose. Details of the thresholds agreed by Banff & Buchan Area Committee for individual applicants can be found at Appendix 1. In addition to this, groups can apply for up to £1,000 funding. Amending the thresholds could attract more applicants.
- 2.4 Appendix 2 shows a list of the balances currently held within the Banff & Buchan area, including the current split between Revenue and Capital. Whilst all ACT 2 funds are invested in the Council’s Loans fund, the general rule of thumb is that an amount be held in revenue balances for distribution through grants. The capital balances should be retained to ensure interest continues to be accrued

on the funds. The interest earned is transferred into the revenue balances. ACT 2 currently receives the average monthly rate received by the Council. To date this has been approximately 0.6772% in 2018/19.

- 2.5 The Corporate Communications Team is currently working on a strategy to increase awareness of ACT2. In addition to this, Members are encouraged to make local organisations or individuals that they deal with who may benefit from financial assistance, aware of the fund. Potential applicants may be directed to their local Area Office.
- 2.6 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

### **3 Scheme of Governance**

- 3.1 The Committee is able to consider and take a decision on this item in terms of Section B.2.1 Part 2A of the Scheme of Governance as the item relates to the administration of the trusts controlled by the Council.

### **4 Equalities, Staffing and Financial Implications**

- 4.1 An equality impact assessment is not required because Section 193 of the 2010 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, there is no discrimination on the basis of any other protected characteristic (such as gender or religion). No negative impact on any individual or group as a result of this reorganisation has been identified.
- 4.2 There are no staffing implications arising from this report.
- 4.3 The financial implications are as included in the body of the report.
- 4.4 No risks have been identified in relation to this report.

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

Report prepared by: Shirley-Ann Gordon, Principal Accountant  
Date: 17 January 2019

## Appendix 1

<b>BANFF AND BUCHAN</b>			
<b>WARD 1 – BANFF AND DISTRICT</b> <b>Aberchirder, Banff, Portsoy and Whitehills</b>			
	<b>Trust Purpose</b>	<b>Minimum Grant</b>	<b>Maximum Grant</b>
	The prevention or relief of poverty	<b>£100.00</b>	<b>£500.00</b>
	The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage.	<b>£100.00</b>	<b>£500.00</b>
<b>WARD 2 – TROUP</b> <b>Gardenstown, Macduff, Rosehearty and Sandhaven</b>			
	<b>Trust Purpose</b>	<b>Minimum Grant</b>	<b>Maximum Grant</b>
	The prevention or relief of poverty	<b>£100.00</b>	<b>£500.00</b>
	The advancement of public participation in sport	<b>£100.00</b>	<b>£500.00</b>
	Relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage.	<b>£100.00</b>	<b>£500.00</b>
<b>WARD 3 – FRASERBURGH AND DISTRICT</b> <b>Cairnbulg, Fraserburgh and Inverallochy</b>			
	<b>Trust Purpose</b>	<b>Minimum Grant</b>	<b>Maximum Grant</b>
	The prevention or relief of poverty	<b>£100.00</b>	<b>£500.00</b>
	The advancement of education.	<b>£100.00</b>	<b>£500.00</b>
	The advancement of health.	<b>£100.00</b>	<b>£500.00</b>
	The advancement of community development.	<b>£100.00</b>	<b>£500.00</b>
	The advancement of the arts, heritage, culture or science.	<b>£100.00</b>	<b>£500.00</b>
	The advancement of public participation in sports.	<b>£100.00</b>	<b>£500.00</b>
	The provision of recreational facilities, or the organization of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.	<b>£100.00</b>	<b>£500.00</b>
	The advancement of environmental protection or improvement.	<b>£100.00</b>	<b>£500.00</b>
	The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage.	<b>£100.00</b>	<b>£500.00</b>

**Appendix 2**

		<b>Dec-18 Revenue</b>	<b>Dec-18 Capital</b>
	<b>Name of Trust</b>		
1	Banff & District (Banff & Buchan) Ward 1 - prevention/relief of poverty and those in need	20,580.82	35,435.26
2	Troup (Banff and Buchan ) Ward 2 - prevention/relief of poverty and those in need	8,462.69	34,012.75
3	Troup (Banff and Buchan ) Ward 2 - advancement of public participation in sport	1,743.01	100.00
4	Fraserburgh & District (Banff and Buchan Area) Ward 3 - prevention/relief of poverty and those in need	47.33	3,003.25
5	Fraserburgh & District (Banff and Buchan Area) Ward 3 - Any Purpose	1,666.74	0.00
		<b>32,500.59</b>	<b>72,551.26</b>

		<b>Dec-17 Revenue</b>	<b>Dec-17 Capital</b>
	<b>Name of Trust</b>		
1	Banff & District (Banff & Buchan) Ward 1 - prevention/relief of poverty and those in need	17,304.76	35,373.43
2	Troup (Banff and Buchan ) Ward 2 - prevention/relief of poverty and those in need	8,247.28	34,012.75
3	Troup (Banff and Buchan ) Ward 2 - advancement of public participation in sport	1,723.67	100.00
4	Fraserburgh & District (Banff and Buchan Area) Ward 3 - prevention/relief of poverty and those in need	22.16	3,003.25
5	Fraserburgh & District (Banff and Buchan Area) Ward 3 - Any Purpose	1,648.25	0.00
		<b>28,946.12</b>	<b>72,489.43</b>