

ISLE OF ANGLESEY COUNTY COUNCIL		
REPORT TO :	EXECUTIVE	
DATE:	22 MARCH 2021	
SUBJECT:	David Hughes Charitable Estate and Anglesey Further Education Trust Annual Report and Accounts 2019/20	
PORTFOLIO HOLDER(S):	Councillor Robin Williams (Resources) Councillor R G Parry OBE FRAGS (Highways, Waste and Property) Councillor R Meirion Jones (Learning)	
HEAD OF SERVICE:	Marc Jones	
REPORT AUTHOR:	Bethan Owen	
TEL:	(01248) 752663	
E-MAIL:	BethanOwen2@ynysmon.gov.uk	
LOCAL MEMBER:	n/a	
A - Recommendation/s and reason/s		
<ul style="list-style-type: none"> To approve the Annual Report and Accounts for the Anglesey Further Education Trust for the years 2019/20 (Appendix A). 		
B - What other options did you consider and why did you reject them and/or opt for this option?		
<ul style="list-style-type: none"> No other options are available as it is a requirement of the Charities Commission that the annual accounts are approved by the responsible body, which in this case is the Executive 		
C - Why is this a decision for the Executive?		
<ul style="list-style-type: none"> This matter is delegated to the Executive. 		
CH - Is this decision consistent with policy approved by the full Council?		
Yes		
D - Is this decision within the budget approved by the Council?		
Yes		
DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	The report was considered by the SLT and any comments made incorporate into the report.
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer's report.
3	Legal / Monitoring Officer (mandatory)	Monitoring Officer is a member of the SLT and any comments made would have been considered at the SLT meeting
4	Human Resources (HR)	Not applicable
5	Property	Not applicable
6	Information Communication Technology (ICT)	Not applicable
7	Scrutiny	Not applicable
8	Local Members	Not applicable
9	Any external bodies / other/s	The accounts have been audited by an External Auditor and their report forms part of the accounts.

E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
F - Appendices:		
<ul style="list-style-type: none"> • Appendix A - Anglesey Further Education Trust Annual Report and Accounts 2019/20 		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • Anglesey Further Education Trust Update Report – Executive, 28 October 2019 (item 13) 		

DAVID HUGHES CHARITABLE ESTATE AND FURTHER EDUCATION TRUST

1. PURPOSE OF THE REPORT

- 1.1 This report provides an overview of the background of the Anglesey Further Education Trust. It provides information about the legal status of the Trust and the different elements within it. The financial performance of the Trust is summarised. The key purpose of this report is to request the Executive's approval of the final Annual Report and Accounts for the financial year 2019/20.
- 1.2 The report also updates Members on the progress made to distribute more of the Trust's funds to meet the charitable purposes of the Trust.

2. BACKGROUND INFORMATION

- 2.1 The Anglesey Further Education Trust is comprised of three funds: The David Hughes Endowment and the Anglesey Further Education Fund 1/3 and the Anglesey Education Trust Fund 2/3 which provide specific educational benefit.

2.1.1. David Hughes Charitable Estate

Endowment dates back to 1608 and currently consists of several plots of smallholding land and cottages and other investments. This fund collects rents from its investment property and dividends and interest on its Investment Fund investments which are managed by Blackrock Investment Fund Managers. The management, financial and administration costs of the estate are deducted from the rents received to arrive at the net income for the year that can be distributed. A payment of a quarter of any net surplus income is made to an unconnected charity, "The David Hughes Charity for the "Poor", for purposes connected with the relief of poverty in the community of Llantrisant. The remaining income is then transferred to the Anglesey Further Education Fund, which is sub-divided into two specific funds.

2.1.2. Anglesey Further Education Trust Funds 1/3 (Restricted Fund)

In addition to the net income from the David Hughes Endowment Estate, this trust also receives income from investments managed by Blackrock similar to the David Hughes Endowment. The purpose of the fund is to provide financial assistance to senior pupils of the 5 secondary schools in order that they can complete their courses.

2.1.3. Anglesey Further Education Trust Funds 2/3 (Restricted Fund)

This element of the trust receives income similar to the above (2.1.3). The fund is to be used to provide benefits to persons under the age of 25 who have attended one or more of the 5 secondary schools for a period of two years and who are in need of financial assistance for further or higher education or training.

2.2 Legal Status

2.2.1. The Anglesey Further Education Trust is a registered charity for which the Isle of Anglesey County Council is the sole trustee. There is no specific reservation to full Council or delegation to an officer in respect of the Trusteeship, so the decision-making in relation to the Trust is delegated to the Executive Committee.

2.2.2. Certain functions in respect of the Trust have been delegated to officers in conjunction with the relevant portfolio holder:-

- The Head of Service (Lifelong Learning) has the delegated authority in respect of educational grants;

- The Head of Service (Highways, Waste and Property) has the delegated authority to agree tenancies, set rents and organise a programme of maintenance and refurbishment;
- The Director of Function (Resources) / Section 151 Officer has delegated authority to determine how much is allocated to the 3 schemes in each year (from 2019/20 onwards), this will be dependent on the surplus made by the fund;
- The Director of Function (Resources) / Section 151 Officer also has delegated authority to sign the Annual Report and Accounts of the Trust each year following completion of the external audit;
- The Chief Executive Officer can exercise any function which has been delegated to Heads of Service.

3. UTILISATION OF THE FUND DURING 2019/20

- 3.1** In April 2019, the Executive requested that the structure of the Trust be reviewed, with the aim of ensuring that more of the funds are used to fulfil the charitable purposes of the Trust.
- 3.2** In October 2019, the Executive resolved to allocate a one off sum of £55,000 to each secondary school to fund the cost of Learning Coaches within each school. The Learning Coaches would support senior pupils undertaking GCSE and A Level courses. It would be for each school to decide over what period the funding would be used. This was to be funded from the 1/3 Restricted Fund, utilising the majority of the fund balance of £279,112 (as at 1 April 2019). More detail on the use made of these allocations in 2019/20 is provided in paragraph 4 below.
- 3.3** The Executive also resolved to allocate an additional £8,000 per secondary school to provide grants to assist financially disadvantaged students to obtain places at Colleges and Universities and / or to help with the purchase of books and equipment required to attend the courses in the first year. It will be for each school to assess each application and award grants based on their assessment criteria. The total cost of £40,000 was to be funded from the 2/3 Restricted Fund, which had a balance of £175,541 (as at 1 April 2019). Details of the use made of these funds in 2019/20 is provided in paragraph 5 below.
- 3.4** Coleg Cymraeg Cenedlaethol would also administer a scholarship scheme for students from financially disadvantaged backgrounds to undertake University and College courses through the medium of Welsh.

4. FINANCIAL PERFORMANCE 2019/20

4.1 David Hughes Charitable Estate (Endowment Fund)

- 4.1.1.** The Estate generated £126,500 through the rental of properties and the recharge of water rates. £5,991 was generated through other income, dividends and investment interest. £75,431 was incurred as expenditure on repairs and maintenance, professional services and a provision for bad and doubtful debts. £12,516 was incurred on property management administrative costs and accounting and auditing costs. This results in £44,544 being available for distribution, with £11,136 being paid to the David Hughes Charity for the Poor, with the remaining £33,408 being transferred to the Further Education Trust.
- 4.1.2.** £18,530 has been charged to the Statement of Financial Activities as the loss on Investments.
- 4.1.3.** The value of the Estate as at 31 March 2020, was £2,763,867, which is made up of the value of the properties £2,545,800, investments traded on the Stock Exchange £136,616, and net current assets of £81,451. The value of the Estate is £18,530 lower than at 31 March 2019.

4.1.4. The value of the investment properties increased by £106,200, but £160,000 in property value was disposed of during the year. As a result, the net value of the investment properties fell by £53,800 during the year.

4.2 Further Education Trust (Restricted Funds)

4.2.1. The Trust fund generated £4,301 of investment income, and £33,408 was transferred into the Trust from the David Hughes Charitable Estate.

4.2.2. £87,729 was utilised for charitable purposes (see paragraphs 5 and 6 below).

4.2.3. The overall value of the Trust fell from £454,653 at the beginning of the financial year to £391,651 as at 31 March 2020. This was made up of investments traded on the Stock Exchange of £95,352 and cash in bank accounts of £296,299.

4.2.4. The value of the 1/3 Fund as at 31 March 2020 was £239,369 and the value of the 2/3 Fund as at the same date was £152,282.

5. LEARNING COACHES (Allocated from the 1/3 Fund)

5.1 Following the Executive's decision in October 2019, to allow the Fund to be used to contribute to the costs of Learning Coaches in the 5 secondary schools, a sum of £55,280 was allocated to each school to be used for this purpose. The table below shows the expenditure incurred by each school during 2019/20:-

School	Sum Allocated prior to 1 April 2019	Sum Utilised by Schools in 2019/20	Sum Allocated from 2019/20	Balance as at 31 March 2020
	£	£	£	£
Ysgol Syr Thomas Jones	55,280	(2,251)	1,037	54,066
Ysgol Uwchradd Caergybi	55,280	(9,343)	1,037	46,974
Ysgol Gyfun Llangefni	55,280	(33,334)	1,037	22,983
Ysgol David Hughes	55,280	0	1,037	56,317
Ysgol Uwchradd Bodedern	55,280	0	1,037	56,317
TOTAL	276,400	(44,928)	5,185	236,657

5.2 A balance of £2,712 has not been allocated to schools.

6. GRANTS ALLOCATED TO STUDENTS (Allocated from the 2/3 Fund)

6.1 Following the Executive's decision in October 2019, to ask the 5 secondary schools to undertake the administration of the awarding of grants, each school was allocated an initial sum of £8,560 to distribute. However, due to the pandemic, the schools were not in a position to invite applications during the 2019/20 summer term and, as a result, no grants were awarded.

6.2 After a discussion with the Auditor of the accounts, it was agreed that, for the purpose of the accounts, the distribution of the funds to the schools should be considered as charitable activities for the purposes of the Trust.

6.3 The balance of £152,282 is available for distribution, either through the schools or through Coleg Cymraeg Cenedlaethol.