

**DERBYSHIRE COUNTY COUNCIL****CABINET MEMBER FOR CHILDREN AND YOUNG PEOPLE****Report of the Director of Legal Services****1 July 2014****HEAGE EDUCATIONAL CHARITY**

In considering this report the Cabinet Member will be acting, on behalf of the County Council, as Trustee of the Charity

**1. Purpose of the Report**

To ask the Cabinet Member to approve the annual reports of the Heage Educational Charity ('the Charity') for 2012 – 2014, and to determine requests received for funding.

**2. Information and Analysis****2.1 Background**

The Charity is a charitable trust governed by the provisions of a Charity Commission Scheme dated 20 October 1997. The proceeds of sale of land held on trust (the former sites of Upper Heage Primary School and of Nether Heage (Ridgeway) Schools) for educational purposes are held as a permanent endowment (of £525,200), with the income of that endowment being applied in accordance with the Scheme.

At the end of 2013/14 the Charity had a balance of income of £78,242 available for distribution.

The income of the Charity is to be applied, in accordance with paragraph 8 of the Scheme:

*(1) Subject to payment of the expenses aforesaid the Trustee shall apply the income of the charity in one or more of the following ways:*

*(a) In or towards providing for the Ambergate Primary School and the Heage Primary School such special benefits not normally provided by the local education authority as may from time to time*

*be agreed between the Trustee and the Governors of the schools;  
and*

*(b) In or towards advancing the education (including social and physical training) of pupils and former pupils of the said school who are under the age of 25 years.*

*(2) If and insofar as the income on the Charity is not required for the purposes aforesaid the Trustee shall apply the same in promoting the education (including social and physical training) of other persons under the age of 25 years who are resident in the Parish of Ripley.*

Following correspondence from the local elected Member, Councillor David Williams, requests for funding have been received from Ambergate, Heage and Street Lane Primary Schools.

## **2.2 Previous funding approvals**

Ambergate Primary School previously received funding under paragraph 8(1) of the Charity's Scheme in 2005/6 and in 2010/11. Funding of £10,000 was approved in 2005/6 to part fund building works with an estimated total cost of £85,000. Further funding of £24,130 was approved in 2010/11, to enable the school to purchase 30 netbooks and associated hardware, software and support.

Heage Primary School also received funding from the Charity under paragraph 8(1) of the Scheme in 2005/6. Funding of £10,900 was approved for the refurbishment of an existing craft room to provide a drama and arts and music studio. As with the Ambergate building works this was part funding of a larger scheme of work costing an estimated £40,000.

Street Lane Primary School also received funding from the Charity in 2005/6, of £6,179, under paragraph 8(2) of the Scheme. The funding was provided to enable the School to provide a moveable partition across the school hall to create two separate teaching areas.

## **2.3 Current funding requests**

### **Ambergate Primary School Request**

Ambergate Primary School's request for funding is for:

(i) purchase of 32 tablet devices together with accessories and support, at a total cost of £24,388;

(ii) provision of cookery lessons over a 3 year period, at a cost of £5,302.

The school says that provision of tablet computers will provide the children with access to up-to-date technology to enhance their learning, helping to engage reluctant learners (especially boys) and in the long term improving their life chances. Use of the devices will be targeted at children in Key Stage 2. The school has indicated that the intended provision is not something that they could provide within their budget and will enhance their IT provision.

The detailed quotation provided by the school, which is the preferred of three quotations obtained, includes warranties on the tablet devices, 3 Apple TV devices to allow for interaction between the tablets and the classroom interactive whiteboards and cases for charging the tablets. The quotation also provides for technical support over a three year period, at a net cost of £9300.

The school is also seeking funding of £5302 for a project aimed at developing cookery skills. The request to the Charity is for funding to employ an experienced cook to deliver cookery lessons for 6 weeks a year for each child in school, working in small groups to ensure close supervision.

Both elements of the funding request by Ambergate Primary School initially included additional provision for support by an assistant/apprentice at a cost of £7,496 across the two projects. Following discussion the Headteacher has agreed to withdraw this element of the request, reducing the school's total funding request.

Consultation with the Children and Younger Adults Department (CAYA) confirms that the request made by Ambergate relates to provision that the school would not be in a position to make under its delegated budget, and which would not be funded by the County Council as education authority. The funding request should be considered in accordance with paragraph 8(1) of the Charity Scheme.

#### Heage Primary School Request

The Heage Primary School request is for funding for building work to provide an outdoor laboratory or shelter (Phase 1) at an approximate cost of £28,000, and provision of an outdoor learning classroom (Phase 2) at an approximate cost of £30,000. These proposals are at an early stage and the school will be carrying out a feasibility study using the services of Derbyshire County Council, with a view to making an

application for planning permission. Quotations received by the school have been provided in support of their request.

Both the outdoor laboratory and the outdoor learning classroom are wooden structures. The outdoor laboratory will be sited away from the main school building, on the school field, and will be equipped with benches and work stations and will have toilet facilities. This will improve the opportunities for use of the outdoor space available at the school and will create opportunities for use by groups from outside the school. The outdoor learning classroom will be situated adjacent to two of the junior classrooms and will enable transition between outdoor and indoor learning.

Initial consultation with CAYA confirms that the development proposed is certainly beyond what would be provided by the education authority, or could be funded by the school from its delegated budget. The proposals are at an early stage but an agreement in principle will enable the school to identify what additional funding, if any, would be needed to complete these projects. This request for funding should be considered in accordance with paragraph 8(1) of the Charity Scheme.

#### Street Lane Primary School Request

The Street Lane Primary School's request is for:

- (i) fencing for the perimeter of the school and a secure gate, at a cost of £40,000;
- (ii) resurfacing of Foundation Stage 2 outdoor area and provision of appropriate storage, at a cost of £11,000.

The requirement for fencing arises following concern from Her Majesty's Inspectors about the unacceptability of the perimeter security of the school, currently bounded by a brick wall. The estimate of £40,000 would provide perimeter fencing and a secure gate entry to school. This would enable children to play and work outdoors safely and without fear of intruders. The current situation limits the school's outdoor provision due to safeguarding concerns.

The request for funding to repair the adapted outdoor flooring arises due to the removal of two large pieces of play apparatus, removed due to health and safety concerns. This element of the request also includes the provision of suitable outdoor storage for childrens play equipment and learning resources.

The request by Street Lane Primary School should be considered in accordance with paragraph 8(2) of the Charity's Scheme.

## 2.4 Conclusion

The Scheme requires (as set out at 2.1 above) that the income of the Charity is applied firstly in providing special benefits to Heage and Ambergate Schools or to enhancing the education of pupils or former pupils of those schools, and only if not required for those purposes is it to be used "*in promoting the education (including social and physical training) of other persons under the age of 25 years who are resident in the Parish of Ripley*". This is the category into which funding for the Street Lane Primary School would potentially fall.

The proposals put forward by the Heage and Ambergate Schools (set out in more detail below) indicate that they would wish to utilise the whole of the income of the Charity. The funding requested by Ambergate School totals £29,690, and phases 1 and 2 of the Heage Proposal are estimated at a total cost of £58,000.

The provisions of paragraph 8(1)(a) and 8(1)(b) of the Charity Scheme are equally weighted and the available income could be called upon by a student, or former student, of the beneficiary schools and considered alongside a funding bid by one of the schools. The provisions of paragraph 8(2) allow for the use of the income by 'other persons under the age of 25 years who are resident in the Parish of Ripley' in circumstances where neither the beneficiary schools, or a student or former student of one of those schools, requests that income.

There is no provision in the Scheme, nor has a policy been established by the Trustee, regarding the timing of the distribution of the Charity's funds and the Trustee should keep in mind, in determining whether to distribute that income, whether a beneficiary school or an individual beneficiary is likely to make a request for funding in the future. The currently available income has been accumulating over a period of 17 years and the current return on the capital sum of £525,000 is limited. Whilst further consideration could be given to alternative investment of the capital sum this is still unlikely to raise a substantial amount of income over the short term. The Trustee may therefore wish to consider whether part of the income should be retained by the Charity to meet possible future requests for funding.

## 2.5 Annual Report and Accounts

As a registered charity with a gross income of less than £10,000 per annum the Charity is required to submit an annual update to the Charity Commission. However, all charities are required to prepare annual accounts and annual reports and to make them available on request.

Draft annual reports covering the years 2011/12 and 2012/13 are attached to this report for approval (see Appendix 1). The Charity's accounts are not required to be submitted to the Charity Commission as part of the annual update. However receipts and payments accounts are included with the annual reports.

## 3 Financial Considerations

- 3.1 As indicated above the total income of the Charity available for distribution is £78,242.
- 3.2 The funds held may only be spent to meet one of the Charity's objects as set out in the Charity Commission Scheme.
- 3.3 The requests for consideration are for funding as follows:-

	£
Ambergate Primary School	29,690
Heage Primary School	58,000
Street Lane Primary School	<u>51,000</u>
<b>TOTAL</b>	<b><u>138,690</u></b>

## 4 Legal Considerations

- 4.1 The advancement of education is a charitable purpose. The Charities Act 2011 requires trustees to demonstrate explicitly that their aims are for the public benefit and to have regard to the Charity Commission's guidance when considering an application for grant funding.
- 4.2 The two key principles of public benefit are:
  - (i) that there must be an identifiable benefit or benefits, and,
  - (ii) that the benefit must be to the public or a section of the public.
- 4.3 Essentially it must be clear to the Trustee what the benefits of a particular activity are, and that this benefit relates to the aims of the charity, and are balanced against any detriment or harm that might be

caused. Those benefitting from the activity must be appropriate to the aims, and where the opportunity to benefit is restricted to a section of the public it must not be unreasonably restricted by geographical or other restrictions; people in poverty must not be excluded from the opportunity to benefit, and any private benefits must be incidental. However the section of the public to benefit from a charity's aims may be limited to those who have the opportunity to be educated at particular educational establishments benefitting from a charity.

- 4.4 Education is given a wide meaning, and in determining whether the activity proposed advances education the Trustee is not restricted to considering education delivered by a teacher in a classroom, playground or sports field, or to the delivery of academic instruction. The Trustee should consider whether the proposed activity has educational merit.
- 4.5 With regard to this Charity the restrictions on the application of income in achieving the objects are set out paragraph 8 of the Scheme, as set out at paragraph 2.3 above. The Trustee must, in determining each request for funding, comply with those restrictions.

## **5 Other Considerations**

In preparing this report the relevance of the following factors has been considered – equality of opportunity, equality and diversity, health, environmental, transport, property and prevention of crime and disorder.

## **6 Background Papers**

The Charity Commission Scheme for Heage Educational Charity and Charity Commission guidance for Trustees. File held by the Director of Legal Services.

## **7 Key Decision      No.**

## **8 Call-In.** Is it required that call-in be waived in respect of the decisions proposed in the report? **No.**

## **9 Officer's Recommendation      That the Cabinet Member:-**

9.1 approves the draft annual reports and accounts of the Heage Educational Charity; and

9.2 determines the amount of funding to be allocated to Ambergate and Heage Primary Schools; and

- 9.3 refuses the request for funding by Street Lane Primary School on the ground that the income of the Charity is required for one or more of the purposes set out in paragraph 8(1) of the Charity Commission Scheme for the Heage Educational Charity.

**John McElvaney**  
**Director of Legal Services**





## Trustees' Annual Report for the period

Period start date			Period end date		
From	01	April	To	31	March
		2011			2012

### Section A Reference and administration details

Charity name

Other names charity is known by

Registered charity number (if any)

Charity's principal address

Postcode

#### Names of the charity trustees who manage the charity

	Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	Derbyshire County Council			
2				
3				
4				
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6				
7				
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9				
10				
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12				
13				
14				
15				
16				
17				
18				
19				
20				

#### Names of the trustees for the charity, if any, (for example, any custodian trustees)

Name	Dates acted if not for whole year

### Names and addresses of advisers (Optional information)

Type of adviser	Name	Address

### Name of chief executive or names of senior staff members (Optional information)

John McElvaney (Director of Legal Services)

## Section B Structure, governance and management

### Description of the charity's trusts

Type of governing document (eg. trust deed, constitution)	Charity Commission Scheme
How the charity is constituted (eg. trust, association, company)	Trust
Trustee selection methods (eg. appointed by, elected by)	Appointed by the Scheme

### Additional governance issues (Optional information)

You may choose to include additional information, where relevant, about:

- policies and procedures adopted for the induction and training of trustees;
- the charity's organisational structure and any wider network with which the charity works;
- relationship with any related parties;
- trustees' consideration of major risks and the system and procedures to manage them.

## Section C Objectives and activities

### Summary of the objects of the charity set out in its governing document

To provide for the Ambergate and Heage Primary Schools such special benefits not normally provided by the local educational authority as may from time to time be agreed between the Trustee and the Governors of the schools, and to advance the education of pupils and former pupils of the said schools under the age of 25 years. In so far as the income is not required for the purposes described above it may be used to promote the education of other persons under the age of 25 years resident in the Parish of Ripley.

There have been no activities during the period from 1 April 2011 to 31 March 2012.

**Summary of the main activities undertaken for the public benefit in relation to these objects (include within this section the statutory declaration that trustees have had regard to the guidance issued by the Charity Commission on public benefit)**

**Additional details of objectives and activities (Optional information)**

You **may choose** to include further statements, where relevant, about:

- policy on grantmaking;
- policy programme related investment;
- contribution made by volunteers.

**Summary of the main achievements of the charity during the year**

As indicated above there have been no activities in the period from 1 April 2011 – 31 March 2012.

## Section E Financial review

**Brief statement of the charity's policy on reserves**

The Charity does not currently have a policy on reserves.

**Details of any funds materially in deficit**

### Further financial review details (Optional information)

You **may choose** to include additional information, where relevant about:

- the charity's principal sources of funds (including any fundraising);
- how expenditure has supported the key objectives of the charity;
- investment policy and objectives including any ethical investment policy adopted.

The Charity's permanent endowment is the proceeds of sale of two school sites in Derbyshire; the former sites of Upper Heage and Nether Heage Primary Schools. Those sites were conveyed to the Heage School Board upon trust for educational purposes.

Derbyshire County Council, as successor local education authority, is the Trustee of the Charity.

## Section F Other optional information

## Section G Declaration

The trustees declare that they have approved the trustees' report above.

**Signed on behalf of the charity's trustees**

**Signature(s)**

**Full name(s)**

**Position (eg Secretary, Chair, etc)**

**Date**



Charity Name <b>Heage Educational Charity</b>	No (if any) <b>1089489</b>
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## Receipts and payments accounts

**CC16a**

For the period from	Period start date <b>01/04/2011</b>	To	Period end date <b>31/03/2012</b>
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### Section A Receipts and payments

	Unrestricted funds to the nearest £	Restricted funds to the nearest £	Endowment funds to the nearest £	Total funds to the nearest £	Last year to the nearest £
<b>A1 Receipts</b>					
Interest	2,503	-	-	2,503	2,408
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
<b>Sub total (Gross income for AR)</b>	2,503	-	-	2,503	2,408
<b>A2 Asset and investment sales, (see table).</b>					
	-	-	-	-	-
	-	-	-	-	-
<b>Sub total</b>	-	-	-	-	-
<b>Total receipts</b>	2,503	-	-	2,503	2,408
<b>A3 Payments</b>					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
<b>Sub total</b>	-	-	-	-	-
<b>A4 Asset and investment purchases. (see table)</b>					
	-	-	-	-	-
	-	-	-	-	-
<b>Sub total</b>	-	-	-	-	-
<b>Total payments</b>	-	-	-	-	-
<b>Net of receipts/(payments)</b>	2,503	-	-	2,503	2,408
<b>A5 Transfers between funds</b>	-	-	-	-	-
<b>A6 Cash funds last year end</b>	70,702	-	525,200	595,902	593,494
<b>Cash funds this year end</b>	73,205	-	525,200	598,405	595,902

## Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
B1 Cash funds		73,205	-	525,200
		-	-	-
		-	-	-
	<b>Total cash funds</b>	<b>73,205</b>	<b>-</b>	<b>525,200</b>
	(agree balances with receipts and payments account(s))	OK	OK	OK

	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
B2 Other monetary assets		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-

	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
B3 Investment assets			-	-
			-	-
			-	-
			-	-
			-	-

	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
B4 Assets retained for the charity's own use			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-

	Details	Fund to which liability relates	Amount due (optional)	When due (optional)
B5 Liabilities			-	
			-	
			-	
			-	
			-	

Signed by one or two trustees on behalf of all the trustees

Signature	Print Name	Date of approval



# Trustees' Annual Report for the period

		Period start date				Period end date	
From	01	April	2012	To	31	March	2013

## Section A Reference and administration details

Charity name

Other names charity is known by

Registered charity number (if any)

Charity's principal address

Postcode

### Names of the charity trustees who manage the charity

	Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	Derbyshire County Council			
2				
3				
4				
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19				
20				

### Names of the trustees for the charity, if any, (for example, any custodian trustees)

Name	Dates acted if not for whole year



**Names and addresses of advisers (Optional information)**

Type of adviser	Name	Address

**Name of chief executive or names of senior staff members (Optional information)**

John McElvaney (Director of Legal Services)

## Section B Structure, governance and management

**Description of the charity's trusts**

Type of governing document (eg. trust deed, constitution)	Charity Commission Scheme
How the charity is constituted (eg. trust, association, company)	Trust
Trustee selection methods (eg. appointed by, elected by)	Appointed by the Scheme

**Additional governance issues (Optional information)**

You may choose to include additional information, where relevant, about:

- policies and procedures adopted for the induction and training of trustees;
- the charity's organisational structure and any wider network with which the charity works;
- relationship with any related parties;
- trustees' consideration of major risks and the system and procedures to manage them.

## Section C Objectives and activities

**Summary of the objects of the charity set out in its governing document**

To provide for the Ambergate and Heage Primary Schools such special benefits not normally provided by the local educational authority as may from time to time be agreed between the Trustee and the Governors of the schools, and to advance the education of pupils and former pupils of the said schools under the age of 25 years. In so far as the income is not required for the purposes described above it may be used to promote the education of other persons under the age of 25 years resident in the Parish of Ripley.

There have been no activities during the period from 1 April 2012 to 31 March 2013.

**Summary of the main activities undertaken for the public benefit in relation to these objects (include within this section the statutory declaration that trustees have had regard to the guidance issued by the Charity Commission on public benefit)**

**Additional details of objectives and activities (Optional information)**

You **may choose** to include further statements, where relevant, about:

- policy on grantmaking;
- policy programme related investment;
- contribution made by volunteers.

**Summary of the main achievements of the charity during the year**

As indicated above there have been no activities in the period from 1 April 2012 – 31 March 2013.

## Section E Financial review

**Brief statement of the charity's policy on reserves**

The Charity holds cash at the bank of £75,718 to meet any requests for funding by the specified beneficiaries.

**Details of any funds materially in deficit**

Not applicable

### Further financial review details (Optional information)

You may choose to include additional information, where relevant about:

- the charity's principal sources of funds (including any fundraising);
- how expenditure has supported the key objectives of the charity;
- investment policy and objectives including any ethical investment policy adopted.

The Charity's permanent endowment is the proceeds of sale of two school sites in Derbyshire; the former sites of Upper Heage and Nether Heage Primary Schools. Those sites were conveyed to the Heage School Board upon trust for educational purposes.

Derbyshire County Council, as successor local education authority, is the Trustee of the Charity.

The Charity's income is accrued from interest on the permanent endowment.

## Section F Other optional information

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## Section G Declaration

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)

Full name(s)

Position (eg Secretary, Chair, etc)

Date




Charity Name Heage Educational Charity	No (if any) 1050480
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CC16a

## Receipts and payments accounts

For the period from	Period start date 01/04/2012	To	Period end date 31/03/2013
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### Section A Receipts and payments

	Unrestricted funds to the nearest £	Restricted funds to the nearest £	Endowment funds to the nearest £	Total funds to the nearest £	Last year to the nearest £
<b>A1 Receipts</b>					
Interest	2,513	-	-	2,513	2,503
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
<b>Sub total (Gross income for AR)</b>	2,513	-	-	2,513	2,503
<b>A2 Asset and investment sales, (see table).</b>					
	-	-	-	-	-
	-	-	-	-	-
<b>Sub total</b>	-	-	-	-	-
<b>Total receipts</b>	2,513	-	-	2,513	2,503
<b>A3 Payments</b>					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
<b>Sub total</b>	-	-	-	-	-
<b>A4 Asset and investment purchases. (see table)</b>					
	-	-	-	-	-
	-	-	-	-	-
<b>Sub total</b>	-	-	-	-	-
<b>Total payments</b>	-	-	-	-	-
<b>Net of receipts/(payments)</b>	2,513	-	-	2,513	2,503
<b>A5 Transfers between funds</b>	-	-	-	-	-
<b>A6 Cash funds last year end</b>	73,205	-	525,200	598,405	-
<b>Cash funds this year end</b>	75,718	-	525,200	600,918	2,503

## Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
<b>B1 Cash funds</b>	Endowment of £525,200		-	525,200
	Accrued Interest	75,718	-	-
		-	-	-
	<b>Total cash funds</b> (agree balances with receipts and payments account(s))	<b>75,718</b>	<b>-</b>	<b>525,200</b>
		OK	OK	OK
		Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
<b>B2 Other monetary assets</b>	Details	-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
<b>B3 Investment assets</b>	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
			-	-
			-	-
			-	-
			-	-
			-	-
<b>B4 Assets retained for the charity's own use</b>	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
<b>B5 Liabilities</b>	Details	Fund to which liability relates	Amount due (optional)	When due (optional)
			-	
			-	
			-	
			-	
			-	
Signed by one or two trustees on behalf of all the trustees	Signature	Print Name	Date of approval	