

Report to the Leader

Report submitted by: Deputy County Secretary and Solicitor

8 February 2011

Part I - Item No. 4

Electoral Division affected:

None

North West Regional Association of Education Authorities – Appointment of Trustees

Contact for further information:

David Croall, (01772) 530849, Office of the Chief Executive

david.croall@lancashire.gov.uk

Executive Summary

Following the demise of the North West Regional Association of Education Authorities, it is necessary for new trustees to be identified and appointed in respect of funds latterly vested in the Association and now under the control of Lancashire County Council. Once trustees have been appointed it will be possible to proceed with the distribution of those funds for educational and charitable purposes, as originally intended by the various benefactors.

Recommendation

The Leader is recommended to appoint the Cabinet Member for Children and Schools and the Cabinet Member for Young People as Trustees for the endowment funds held by the County Council following the discontinuance of the North West Regional Association of Education Authorities.

Background and Advice

Lancashire County Council was one of the founding members of the North West Regional Association of Education Authorities (NWRAEA); an Association comprising most of the shire counties, metropolitan district councils and unitary authorities in the North West of England. Upon its constitution the Association took over the interests and functions of the North Western Regional Advisory Council for Further Education.

The Advisory Council was the holder of numerous trust funds, endowments and prizes that had been donated for various educational purposes many years previously by generous benefactors. Those funds form part of a charitable Scheme registered with the Charity Commission. Following transfer of its functions to the NWRAEA those funds, and responsibility for administration of the Scheme, became vested in the NWRAEA.

The NWRAEA required treasury and administrative support and in 2000 the Association accepted the offer of the County Council's then Director of Education and Cultural Services that the County Council would provide all necessary financial, legal and administrative support. The assets of the Association, including the funds representing the trusts, endowments and prizes, were thereupon transferred to the County Council for the purposes of the NWRAEA.

The Association continued to function for a short period of time thereafter, but for some years now it has been moribund. No distributions have been made from the various funds since 1996 and the terms of office of all serving trustees have long since come to an end.

The funds representing the various trusts, endowments and prizes now total some £270,000. It is now necessary to establish a mechanism by which the Scheme may effectively be 'wound up', and the various endowments distributed to appropriate establishments and organisations which meet the objects of the original donations, in general terms.

In order to do so, new Trustees will firstly have to be appointed to the Scheme by Order of the Charity Commission. It is proposed that the Leader nominate the Cabinet Member for Children and Schools and the Cabinet Member for Young People as the trustees for the charitable Scheme.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

If no trustees are appointed for the charitable Scheme, it will not be possible for there to be any distribution from the funds currently held by Lancashire County Council. The Council will be open to criticism that it has failed to enable the distribution of significant sums of money intended for the benefit of young people.

Financial: The appointment of Trustees is a precursor to a winding up of the current scheme. In distributing the funds that remain, the County Council will be discharging its obligations and concluding its responsibilities in relation to the financial assets transferred to it by the NWRAEA.

Any representations made to the Cabinet Member prior to the issue being considered in accordance with the Public Notice of Forward Plans

Name:	Organisation:	Comments:
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N/A

**Local Government (Access to Information) Act 1985
List of Background Papers**

Paper	Date	Contact/Directorate/Tel
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Nil

Reason for inclusion in Part II, if appropriate

N/A