

FULL COUNCIL REPORT



Date Written	27 th June 2014
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Service Area	Leisure, Culture and Environment
Exempt/Non Exempt	Non Exempt
Committee Date	16 th July 2014

To: Mayor, Ladies and Gentlemen

Aberfan Disaster Fund Investment Account

PURPOSE OF THE REPORT:

To seek approval for the closure of the Aberfan Disaster Fund investment Account, and the value of the portfolio be used to fund the capital works at the Aberfan and Merthyr Vale Community Centre.

1.0 INTRODUCTION AND BACKGROUND

- 1.1 The “The Aberfan Disaster Fund” (The charity) was registered with the Charity Commission on the 13 March 1967. The original charity was managed by a Provisional Committee responsible for all the trust activities. On 14th December 1988, the Charity separated into two charities – The Memorial Charity (applicable to the Cemetery and Memorial Garden under the title of the Aberfan Memorial Charity and administered by a board of trustees’) and The Aberfan Disaster Fund and Centre administered by a separate body of trustees.
- 1.2 The objects of the charity are furthering charitable purposes for the general benefit of the inhabitants of Aberfan (further details are set out in clause 27 of the scheme of the 14th December 1988).
- 1.3 The trustees are the elected Councillors of Merthyr Tydfil County Borough Council. The trustees review the risks that the charity faces. To date these have mainly related to investment management and these have been ameliorated by diversified portfolio management. The investments are handled by the HSBC Trust Company (UK) Ltd.
- 1.4 The roof at the Aberfan and Merthyr Vale Community Centre is over 25 years old has major issues that are deemed beyond economic repair, with leaks in most of the

upper floor areas and Main Hall. Following a recent tender exercise, the cost of replacing the roof has been determined to be £248k.

2.0 ACHIEVEMENTS AND PERFORMANCE OF THE TRUST

- 2.1 During the year the charity contributed the sum of £10,000 from the investment towards the upkeep of the Aberfan and Merthyr Vale Community Centre, which provides a wide range of social and recreational activities for the community as a whole. The trustees are generally guided by the need for both growth and a steady income yields and the fund is based on reliable investments with as little risk as possible. Government gilts make up approximately 18% of the investments. A review of the investments is carried out annually with HSBC trust company (UK) Ltd.
- 2.2 The Trust employs HSBC trust company (UK) Ltd. as investment advisors and managers. They charge a flat fee (£1,200 pa) and under their management the portfolio at 31st March 2014 had a market value of £252,988. The Trust has chosen not to adopt formal ethical investment policies.
- 2.3 The net out-going resources on Unrestricted funds, after operational expenses of £11,200 (2012/13 £11,200) for the year was (£4,862) (2012/13 (£5,112)).
- 2.4 The current reserves policy is for the fund to hold sufficient resources in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed and to contribute towards the running costs and upkeep of the Aberfan and Merthyr Vale Community Centre.
- 2.5 As the income generated in 2013/14 was less than £10,000 an independence review is not required by the Charity Commission.

3.0 FINANCIAL IMPLICATION(S)

- 3.1 The charity contributes an annual sum of £10,000 from the investment fund towards the upkeep of the Aberfan and Merthyr Vale Community Centre. Closure of the Investment Fund would cease this annual contribution. The £250,000 would however fund the capital work required at the Community Centre.

4.0 SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY

- 4.1 The Single Integrated Plan & Sustainability Impact Assessment has been completed and the proposal does have some positive impact on aspects of the Corporate Plan and Single Integrated Plan, including people, who live and work in Merthyr Tydfil are supported to enjoy a healthier and better quality of life; and people enjoy a vibrant, attractive, safe and sustainable place in which to live, work, play and visit. No negative impacts have been identified.

5.0 EQUALITY IMPACT ASSESSMENT

5.1 An Equality Impact Assessment (EqIA) screening form has been prepared for the purpose of this report. It has been found that a full report is not required at this time. The screening form can be accessed on the Council's website/intranet via the 'Equality Impact Assessment' link.

6.0 RECOMMENDATION(S) that

6.1 The Aberfan Disaster Fund Investment Account is closed and the value of the portfolio be used as a contribution towards the capital works at the Aberfan and Merthyr Vale Community Centre.

ELLIS COOPER
CORPORATE DIRECTOR OF CUSTOMER SERVICES

BACKGROUND PAPERS		
<i>Title of Document(s)</i>	<i>Document(s) Date</i>	<i>Document Location</i>

Consultation has been undertaken with Executive Board in respect of each proposal(s) and recommendation(s) set out in this report.