

HISTORIC SCOTLAND BOARD 21 AUGUST 2008

HISTORIC SCOTLAND FOUNDATION

1. PURPOSE

To provide the members of HSB with background information on the creation of the Historic Scotland Foundation (HSF) and to advise them of the Foundation's current and future activities.

2. ACTION

For information only.

3. KEY INFORMATION

- The HSF was incorporated and granted charitable status in 2001. It is administered by Turcan Connell, chaired by Kenneth McKenzie, and currently has four other Trustees: Lord Charles Bruce, Major General Mark Strudwick, Ms Lisbeth Thoms and Mr Graeme Munro.
- Its main purpose is to receive, hold, invest and distribute corporate and private donations given to further specific aspects of Historic Scotland's work in a tax efficient manner.
- The original donation for which the Foundation was established was from the Quinque Foundation of America. It was given to help fund the Stirling Castle Tapestry Project and various conservation exchange schemes known as Quinque Fellowships.
- The HSF has since been used to facilitate the handover of Trinity House and its collection to Scottish Ministers and to hold for future use the cash assets of the Trinity House Museum Trust.
- Until recently the HSF was not particularly active in raising funds, although it has received a number of small legacies and donations from individuals and Historic Scotland Friends.
- In recent months the Trustees have started to explore the possibility of attracting funds, in particular to enable Historic Scotland to expand its operations at Trinity House.
- The HSF are currently meeting a number of individuals and organisations involved in Leith, including Sir Tom Farmer and Sir Gerald Elliott, to explore the feasibility of raising the £750,000 required to provide interpretation and educational facilities in the currently derelict East Wing of Trinity House.

4. BACKGROUND

The Historic Scotland Foundation (HSF) was incorporated and granted charitable status in 2001 as a Company Limited by Guarantee and Not Having a Share Capital.

It was initially created in order to receive funds from the Quinque Foundation of America in a manner that would meet with UK and USA tax relief requirements. The Quinque Funds were being offered to Historic Scotland to assist in meeting the costs of the Stirling Castle Tapestry Project and to fund a number of conservation exchange programmes between Scotland and the USA known as Quinque Fellowships.

The main objective of the HSF was to provide a mechanism whereby HSF could receive and hold donations from charitable bodies, sponsors or individuals and for them to be released to Historic Scotland within the financial year that expenditure on the designated use was incurred, thereby protecting funds from annualisation.

The objects of the Foundation are detailed in the Memorandum of Association attached to this report.

Shortly after the creation of the HSF it was used to hold and invest the funds, but not the heritable assets (the building and the collection), of the Trinity House Museum Trust. (THMT).

The HSF also has a role in providing the annual monitoring requirement of Historic Scotland's management and maintenance of Trinity House and its collection as required by the Court of Session. This was a condition of the transfer of Trinity House from ownership by a charity (THMT) to a non-charitable organisation: Historic Scotland.

5. CURRENT POSITION AND FUNDS

5.1 TAPESTRY PROJECT

The HSF currently has £560,000 in the tapestry fund with pledges for further donations as the project proceeds. Based on the latest assessment of costs and growth in investment this will be adequate to complete the Tapestry Project. The account also receives small donations from individuals and the collection box in the weaving studio.

5.2 TRINITY HOUSE

The dowry that came on the transfer of Trinity House to Historic Scotland now amounts to £240,000, a slight increase on the original sum but slightly less than six months ago.

So far, there have been no calls on these funds which are being viewed as seed money/matching funding for the possible extension into the East Wing.

6. MINOR ALLOCATED AND UNALLOCATED FUNDS

A number of small donations and some larger legacies have been received. These currently amount to £90,000. To date they have been used to fund some minor interpretation works including the One O'Clock Gun exhibition and have funded a new electric organ at Iona Abbey.

7. THE FUTURE

In early 2007 HS's Senior Management Team considered the whole issue of sponsorship and fundraising from the private sector and the role of the Historic Scotland Foundation. In particular it identified four options for HS and the HSF to consider regarding the future of the foundation:

- Maintain the current position
- Maintain the current position but have a protocol between the Foundation and HS to regulate projects, payments etc.
- Enhance the role of HS Foundation or
- HS to withdraw from the tax advantages associated with fundraising thus eliminating the need for an HS Foundation.

These were discussed with the HSF Trustees and the following actions agreed:

- A list of potential projects would be produced and discussed with the Foundation.
- An agreement would be drawn up regarding the draw down of current funds.

HS has now presented a list of possible projects to the Foundation, and the agreement for draw downs is now in place for the Tapestry Project. Similar agreements will be introduced when any other funds are released from HSF to HS.

Currently the Foundation are pursuing two of the possible projects, both relating to Trinity House. The first involves exploring fundraising options for the re-roofing of the derelict East Wing of Trinity House for Interpretation and Education use and the second raising funds to enhance the educational and the outreach programme at Trinity House.

CHRIS WATKINS

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