

Birmingham City Council – Council as Trustee

PUBLIC REPORT

Report to:	Trust and Charities Committee	<i>Exempt information paragraph number – if private report:</i>
Report of:	Interim Chief Finance Officer	
Date of Decision:	19 July 2017	
SUBJECT:	REVENUE OUTTURN 2016/17	
Key Decision: Yes / No	Relevant Forward Plan Ref: No	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	<input type="checkbox"/>
	O&S Chairman approved	<input type="checkbox"/>
Relevant Cabinet Member(s):	N/A	
Relevant O&S Chairman:	N/A	
Wards affected:	All	

1. Purpose of report:
1.1 The appendices within this Report set out the income and expenditure position for Trusts and Charities as at the 31 March 2017.
1.2 To approve the accounts of the Harriet Louisa Loxton Trust 2015-16

2. Decision(s) recommended:
2.1 To note the Trusts and Charities end of year balances for the financial year ending 31 March 2017.
2.2 To note the draft accounts appended to the report and that each Trust or Charity's final accounts, audited where applicable, will be presented to a future Trust and Charities Committee.
2.3 To approve the independently examined accounts of the Harriet Louisa Loxton Trust 2015-16

Lead Contact Officer(s):	Alison Jarrett
Telephone No:	0121 675 5431
E-mail address:	Alison.jarrett@birmingham.gov.uk

3.	Consultation
	Consultation should include those that have an interest in the decisions recommended
3.1	<u>Internal</u>
	The Chairman of the Committee has been consulted in the preparation of this report.
3.2	<u>External</u>
	N/A
4.	Compliance Issues:
4.1	<u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u>
	N/A
4.2	<u>Financial Implications</u>
	<u>(Will decisions be carried out within existing finance and Resources?)</u>
	N/A
4.3	<u>Legal Implications</u>
	Management and governance arrangements for Charitable Trusts are set out in the constitution under which they were established. Charity Trustees must also comply with Charities Act 2011, Trustee Act 2000, other relevant legislation and guidance issued by the Charity Commission. The assets of a charity must be used in accordance with charitable law, failing which this will give rise to a breach of trust. Legal sanction can follow from either the beneficiaries of the charitable trust and/or Charity Commission. Decisions made by the charity must be expedient in the interests of the charity at all times. The Committee has empowered officers within the Council to discharge certain functions on its behalf as Council as Trustee.
4.4	<u>Public Sector Equality Duty (see separate guidance note)</u>
	None. The statutory functions discharged by the Council as Trustee are subject to a separate and distinct statutory regime underpinned (principally) by the Charities Act 2011, Trustee Act 2000 and relevant Charity Commission guidance. These are non-executive functions and are therefore not subject to the Equalities Act 2010 provisions

5. Relevant background/chronology of key events:

- 5.1 Historically, assets including cash have been bequeathed or gifted to the City Council on trust for a group of beneficiaries. These funds must be maintained in trust both legally and financially and be distinct from City Council's own resources. Each trust has its own objectives or purposes and it is the responsibility of the Trusts and Charities Committee to exercise management decisions of these charitable trusts in accordance with charity law, and Charity Commission guidance.
- 5.2 Each Trust registered with the Charity Commission is required to annually submit an annual Report and Accounts, ten months after the end of the financial year, except where gross annual income is less than £25,000. Below this threshold, external scrutiny is only needed if this is set out in the Charity's governing document. The accounts of such Trusts are required to have been independently examined if gross income is between £25,000 and £500,000, and if the income exceeds £500,000 a full audit is required. An audit will also be required if total assets (before liabilities) exceed £3.26m, and the charity's gross income is more than £250,000
- 5.3 This is the final report in the quarterly series for 2016/17. The information provided in Appendix 2 identifies income and expenditure for the period ending 31st March 2017. The figures form part of the City Council's Annual Statement of Accounts process, which are currently in the process of being audited.
- 5.4 Draft accounts are appended for the following trusts and charities. As each set of accounts, plus those not included in draft within this report are finalised and independent examinations or audits completed the final set of accounts will be presented to the Committee:
- The Cropwood Estate (appendix 3)
 - Charity of Mrs Lily Ada Jones (appendix 4)
 - Charles Baker Trust (appendix 5)
 - Elford Estate Charity (appendix 6)
 - Highbury Trust (appendix 7)
 - Birmingham Municipal Charity (appendix 8)
 - Centre for the Child (appendix 9)
 - Clara Martineau Charity (appendix 10)
 - Birmingham Bodenham Trust (appendix 11)
 - Alderson Disabled Ex-Servicemen's Homes Trust (appendix 12)
 - Moseley Road Friends Institute (appendix 13)
 - The Lord Mayor of Birmingham's Charity (appendix 14)
 - Sir Whitworth Wallis Trust (appendix 15)
 - The Charity of John Billingsley the Elder (appendix 16)
- 5.5 The accounts of the Harriet Louisa Loxton Trust 2015-16 have been subject to an independent examination. There were no matters that came to the attention of the examiner that in his opinion required specific reporting. The accounts are presented at appendix 17 for approval.

6. Evaluation of alternative option(s):

6.1 Alternative options are not appropriate for this report.

7. Reasons for Decision(s):

7.1 To ensure the Committee is aware of the current financial position for Trusts and Charities.

	Signatures	<u>Date</u>
Interim Chief Finance Officer		11 July 2017
Chairman

List of Background Documents used to compile this Report:

1. Information provided by Directorates'.

List of Appendices accompanying this Report :

1. Detailed Monitoring Report and Outturn Budget Changes and Forecasts
2. Outturn Position 2016/17 Trust Funds.
3. The Cropwood Estate
4. Charity of Mrs Lily Ada Jones
5. Charles Baker Trust
6. Elford Estate Charity
7. Highbury Trust
8. Birmingham Municipal Charity
9. Centre for the Child
10. Clara Martineau Charity
11. Birmingham Bodenham Trust
12. Alderson Disabled Ex-Servicemen's Homes Trust
13. Moseley Road Friends Institute
14. The Lord Mayor of Birmingham's Charity
15. Sir Whitworth Wallis Trust
16. The Charity of John Billingsley the Elder
17. Charity of Harriet Louisa Loxton – Financial Report and Accounts for the year ended 31 March 2016

1. Monitoring Report Quarter 4 2016/17

- 1.1. No budgets are held on the Trusts' income and expenditure accounts. The financial information provided relates to balances brought forward from previous years and in year movements in expenditure and income.

2. Outturn 2016/17

- 2.1. The opening balance as at the 1 April 2016 was £27.427m. Income for the year was £0.798m, expenditure £0.621m and net gains on investments amounted to £0.979m. At the end of the financial year (up to 31 March 2017) the closing balance stands at £28.583m.
- 2.2. An analysis of income and expenditure for each Trust Fund is shown at Appendix 2.

