

BIRMINGHAM CITY COUNCIL

TRUSTS AND CHARITIES COMMITTEE 22 JULY 2015
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PRESENT: Councillor Phil Davis in the Chair

Committee Members:
Councillor John Alden (JA)
Councillor David Pears (DP)
Councillor Paul Tilsley (PT)

Officers:
Sanjeev Bhopal, (SKB) Senior Solicitor, Legal & Democratic Services
Mark Szurminski, Senior Business Analyst, Corporate Finance
Nigel G Oliver, Property Manager, BPS

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NOTICE OF RECORDING

Chairman to advise meeting to note that members of the press/public may record and take photographs except where there are confidential or exempt items.

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APPOINTMENT OF COMMITTEE

To receive the resolution of the City Council appointing the Committee for the Municipal Year 2015/2016 with the following Members:-

Labour (5)

Cllr Phil Davis (Chairman)
Cllr Ian Cruise
Cllr Mick Finnegan
Cllr Ansar Ali Khan
Cllr Hendrina Quinnen

Conservative (2)

Cllr John Alden
Cllr David Pears

Liberal Democrat (1)

Cllr Paul Tilsley

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RESOLVED:-

- i) That the resolution of the City Council appointing the Committee for the Municipal Year 2015/2016 be noted;
- ii) That the appointment of Councillor Phil Davis as Chairman of the Committee be noted.

702

APOLOGIES

Apologies for non-attendance were submitted on behalf of:

Councillor Hendrina Quinnen
Councillor Ian Cruise
Councillor Ansar Ali Khan

703

INTRODUCTIONS AND WORK OF THE COMMITTEE

The Chairman provided an overview of the Committee's work, its current Business Plan, and key priorities moving forwards. The Chairman was particularly interested in reviewing the method of Grants distribution to beneficiaries, and how this could be improved, moving forwards. He had tasked officers to undertake a comprehensive review of these matters and report back to Committee in the Autumn.

704

MINUTES

The public minutes of the meeting on 15 April 2015, were confirmed as an accurate record.

705

MATTERS ARISING

Minute 691

Cllr John Alden (JA) sought clarification on this Minute. SKB explained that to assist Members, he had copied the relevant Minute (in this case 679) and included this within 691 so that Members could refer to what was outstanding, and why. On this occasion it was for officers to update Committee on whether Charity Commission approval had now been obtained on the disposal of Storchley Recreation Ground. SKB was pleased to inform Committee that following correspondence with the Commission, it had now indicated it was minded to approve the disposal, subject to clarifying a few matters which he and Nigel Oliver would do shortly.

Members were pleased to note the progress made.

706

TERMS OF REFERENCE OF THE TRUSTS AND CHARITIES COMMITTEE

Members of the Committee reviewed its Terms of Reference, as set out within the Committee Papers.

RESOLVED:-

That the Committee's Terms of Reference be noted.

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DATES OF FUTURE MEETINGS

Committee Resolved to hold future meetings on the dates and times set out below at the Council House:-

2015

22 July 2015	10.30 – Committee Room 6
23 September 2015	10.30 – Committee Room 2
12 November 2015	10.30 – Committee Room 2
17 December 2015	10.30 – Committee Room 2

2016

20 January 2016	10.30 – Committee Room 2
2 March 2016	10.30 – Committee Room 2
20 April 2016	10.30 – Committee Room 2

At the discretion of the Chairman, Deputy Chair and Committee Members, the venue for a Committee Meeting may be changed to another location.

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DECLARATIONS OF INTERESTS

Members are reminded that they must declare all relevant pecuniary interests and/or non-pecuniary interests relating to any items of business to be discussed at this meeting. If a pecuniary interest is declared a Member must leave the room or Chamber where the meeting is being held, unless a dispensation has been obtained from the Authority's Standards Committee. Any declarations or leaving of the room/chamber will be recorded in the minutes of the meeting.

JA declared interest as being a Trustee of the Lord Mayor's Charity

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REVENUE OUTTURN 2014/2015

By way of background, Cllr Davis explained to Members that Finance Reports are now presented to Committee in two sections, namely where the Council Sole Corporate Trustee and secondly where it is only a Custodial Trustee i.e. is not involved in the management of the Trust, which rests with an independent group of Trustees.

MS introduced the Report and referred Members to Appendix 2 showing the position of Trust balances at the end of March 2015. In response to queries

from JA, MS advised Members that the annual income received from the Civic Catering Agreement and the pending one-off premium of the disposal of Chamberlain House was ring fenced for the restoration of Highbury. MS went on to say that the Trust runs a deficit of £66,000 pa but this is covered corporately at present.

The Director of Finance had rightly pointed out that the Committee had a number of substantial funds from which limited expenditure had been made. The Chairman welcomed the comment as the Committee was actively investigating how more of the various funds could be used for the charitable purposes required by law.

RESOLVED:

The Recommendation within the Report at paragraph 2.1 was approved by Committee.

710

2014/2015 CROPWOOD ANNUAL REPORTS AND ACCOUNTS

MS introduced the Report and informed Members that BCC is the Sole Trustee, accounts had not needed to be independently examined as they did not exceed the Charity Commissions £10,000 income threshold.

After general discussion Cllr Davis stated there is a need to remind Members of what the individual Trusts are ie School, Property or Education Property, and a short description/summary should be added to the reports when next presented.

JA noted that on page 3 of the accounts in the independent examiner section the date should be amended from April 2015 to April 2009. It should also be noted that on page 7 of the accounts at Note 3, that £8,367 related to prior year's income that had been miscoded which had been reported to Committee and now made good.

JA requested information in relation to page 8 of the accounts, note 7 – trust investments of £59,702. MS to email details of trust investments to Members.

RESOLVED:

The Recommendation within the Report at paragraph 2.1 was approved by Committee.

711

2014/2015 BIRMINGHAM MUNICIPAL CHARITY ANNUAL REPORT & ACCOUNTS

MS informed Members that BCC is the Sole Trustee for the charity. The trust was formed in 2011 from small and dormant Trusts. The 2014/15 accounts did not require an independent examination due to the trusts annual income of £10,194. Of which £7,769 related to the consolidation of Loxley Trust into the Birmingham Municipal Charity.

JA raised the question in relation to Notes 4 and 5. MS agreed to amend the notes to reflect that the investments have now been transferred to CCLA

Investment and deposit accounts. The Chairman pointed out that there had been no grant awards in the financial year. MS informed Committee that in the current financial year 2 grants have awarded and released to successful applications.

DP raised the questions of how to apply for funding from the charity and what is the rate of return on trusts investments. MS advised that CCLA (Charity Church and Local Authority) are managing the trusts investments. The Investment account rate of return can go up or down. The trusts deposit account is currently achieving 0.45% interest. MS also stated that for those trusts which award grants rules for grant applications are set out.

PD asked that those papers be shared so all Members were aware PD also reminded Members that applications were first heard by a panel of Members including himself and then reported to Committee who will have to approve. JA informed Committee that MS was the Acting Secretary for the trust and requests for applications of funding should be forwarded to him. If any Member knows of an organisation requiring funds they be directed to MS. MS can send an application form which gives details of how to apply for funding – MS agreed to send application form to members.

RESOLVED:

The Recommendation within the Report at paragraph 2.1 was approved by Committee.

712

ANNUAL REPORT AND ACCOUNT -2014/2015 CENTRE FOR THE CHILD

MS introduced the Report informing Committee that BCC is a Sole Corporate Trust. The report relates to the last financial year which identifies an income of £202 and therefore no independent examination was required . Paragraphs 5.1 and 5.2 of the Report sets out when the Trust was set up.

JA requested more information on note 7 of the accounts. DP asked if the debtor had now been cleared.. In addition PD asked if the trust had undertaken any fund raising recently, as he had concerns that the trust will run out of money. MS agreed to raise the matter with the appropriate officer and at the request of Committee ask that either a written Report or a verbal update be provided at the next Committee meeting.

RESOLVED:

The Recommendation within the Report at paragraph 2.1 was approved by Committee.

713

IMPLEMENTATION OF SUPPORT COSTS –CUSTODIAN TRUSTS UPDATE

MS introduced the Report and advised the Committee that the Report had been brought to Committee for information which set out the position on implementing support cost charges to charitable trusts where BCC is

custodian trustee. JA advised Members declared an interest as he was a trustee of the Lord Mayors Charity.

MS advised Committee last year that an exercise was undertaken to establish the cost of administrative and professional support provided to trusts. Letters had been sent in early April to custodian trusts informing them that BCC was no longer able to provide support costs free of charge and that charges will apply from this financial year. The custodian trusts needed to consider their options – to be charged for support costs, look elsewhere for their support or consolidate with another charity.

Paragraph 5.8 of the Report sets out the current position was broken down into following categories:

- Trustees to transfer assets to BMC.
- Charities that did not have the ability to pay.
- Continued with Support – charges applied.
- No decision made.

Those with no decision made will be sent a follow up letter and will have 3 weeks from the date of the letter to respond, if no response is received it will be assumed that no support is required and professional support will be withdrawn.

PT advised that it was possible communications were not aligned with the trusts committee meetings and while no excuse for not acknowledging some may still be waiting opportunities to consider this formally and it may be necessary to send emails again. need to make sure in cycle of their meeting.

Cllr Davis requested that members be made aware of the pending follow up communication.

Cllr Davis asked to give a chance for charities to respond due to the summer holidays coming up but to send the further communication out.

RESOLVED:

The Recommendation within the Report at paragraph 2.1 was approved by Committee.

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HIGHBURY - UPDATE

Verbal update from Members and Officers on various matters pertaining to the Charity.

Now moving to an independent Highbury Trust, Birmingham Conservation Trust (BCT) been asked to run this process. New chairman interviews will take place in October 2015, issue pack is being prepared and to be circulated to Members and Committee and Council, if you know anyone who would be interested to apply.

Highbury has received rental income from the Council for its use of Highbury by Acivico/ Civic Catering.

JA asked if consideration to the Chairman of the independent trust will be enumerated, as there were advantages to them of being paid say £500 a day up to so many days a year-

Cllr Davis—suggested the Trust could probably provide small amount and would consider honoraria if permissible under charity law,

RESOLVED:

Committee noted the verbal update from Members and Officers.

715

ELFORD ESTATE – APPROVAL OF ASSIGNMENT – LEASE FOR HOWARD PRIMARY SCHOOL PLAYING FIELDS

Members asked to note assignment of lease to the new Academy approved under Chairman's Action. JA asked if there had been rent reviews under the lease. NGO confirm, no rent increase, in 2013 as while there should have been a modest rise this was negated by costs of processing the review. The Academy has asked for a longer lease, but if agreed that will be set at a new rent.

JA raised the issue that some years ago the brick Barns could be turned into living or work units, but there had been no development. NGO confirmed that had not progressed because of planning issues. The current farmer wants to convert barns to his house and that and the release of farm land for the garden is being considered. Elford is one of the biggest estates in the Committee.

RESOLVED:

The Recommendation within the Report at paragraph 2.1 was approved by Committee.

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SITE VISITS

This will need to be postponed – will need dates for local site visits. Cllr Davis will circulate some dates for the local visit such as Cadbury Barnes, Highbury, etc. fairly soon. In the long term to arrange dates to look at the other properties just outside Birmingham. NGO will coordinate and facilitate these visits through BPS.

Resolved

Committee resolved to undertake visits to various Trust sites during the course of the year.

717

SCHEDULE OF OUTSTANDING MINUTES

SKB suggested that minute 395 be a rolling minute given its contents.

Cllr Davis confirmed his desire to produce formal report to Council to show the work of the Committee to Council early next year

Minute 651- JA asked if Cofton Park trust was yet compensated for the sale receipt for the flat. NGO confirmed discussions with Park were on-going but that capital receipt would have been spent on the park.

JA also asked whether Park Department had demolished the old barns which were built with moulded bricks.

NO advised new changing have not been constructed, old barns are still planned for demolition and the contractors are to recycle the bricks, but that at the moment the project is on hold.

718

OTHER URGENT BUSINESS

There are no other urgent business by the Committee.

719

AUTHORITY TO CHAIRMAN AND OFFICERS

Chairman to move:-

“That the Chairman is hereby authorised to act until the next meeting of the Committee except that, in respect of the exercise of the Council’s non-Executive functions, the appropriate Chief Officers are hereby authorised to act in consultation with the Chairman and that the Director of Legal and Democratic Services is authorised to affix the Corporate Seal to any document necessary to give effect to a decision of the said officers acting in pursuance of the power hereby delegated to them; further that a report of all action taken under this authority be submitted to the next meeting and that such report shall explain why this authority is used”.

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EXCLUSION OF THE PUBLIC

That in view of the nature of the business to be transacted which includes exempt information of the category indicated, the public be now excluded from the meeting.

Minutes of the last meeting

Exempt information paragraph 3

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Cllr Phil Davis
Chairman of Trusts and Charities Committee