

Members are reminded that they must declare all relevant pecuniary and non-pecuniary interests relating to any items of business to be discussed at this meeting

BIRMINGHAM CITY COUNCIL

TRUSTS AND CHARITIES COMMITTEE

WEDNESDAY, 20 JULY 2016 AT 10:30 HOURS
IN COMMITTEE ROOM 6, COUNCIL HOUSE, VICTORIA SQUARE,
BIRMINGHAM, B1 1BB

A G E N D A

1 APPOINTMENT OF COMMITTEE AND CHAIR

To note the resolution of the City Council appointing the Committee, Chair and Members to serve on the Committee for the period ending with the Annual Meeting of the City Council 2016.

2 NOTICE OF RECORDING

Lord Mayor to advise that this meeting will be webcast for live or subsequent broadcast via the Council's Internet site (www.birminghamnewsroom.com) and that members of the press/public may record and take photographs.

The whole of the meeting will be filmed except where there are confidential or exempt items.

3 APOLOGIES

To receive any apologies.

5 - 10

4 TRUSTS AND CHARITIES COMMITTEE - PUBLIC MINUTES 20 APRIL 2016

To note Part 1 of the Minutes of the last meeting held on 20 April 2016.

5 MATTERS ARISING

To discuss matters arising.

11 - 12

6 TERMS OF REFERENCE OF THE TRUSTS AND CHARITIES COMMITTEE

To note the Terms of Reference of the Committee.

7 **DATES OF FUTURE MEETINGS TRUSTS AND CHARITIES**

To agree that meetings will be held at 1030 hours on the following Wednesdays at the Council House:

21 September 2016

9 November 2016

14 December 2016

18 January 2017

1 March 2017

19 April 2017

8 **DECLARATIONS OF INTEREST**

This is a standard item included on agendas at all first meetings in the Municipal Year.

Members are reminded that they must declare all relevant pecuniary and non-pecuniary interests relating to any items of business to be discussed at this meeting. If a pecuniary interest is declared a Member must not speak or take part in that agenda item. Any declarations will be recorded in the minutes of the meeting.

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9 **ANNUAL REPORT & ACCOUNTS - BIRMINGHAM MUNICIPAL CHARITY FOR THE PERIOD 2015/16**

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10 Report of Strategic Director of Finance & Legal
BIRMINGHAM MUNICIPAL CHARITY - REVISED MECHANICS OF FUNDING

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11 Report of Strategic Director of Finance & Legal
BIRMINGHAM MUNICIPAL CHARITY - AWARD OF GRANT: BILLSELEY COMMON ACTION PLAN (VALLEY RIVERSIDE PROJECT)

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12 Report of Strategic Director of Finance & Legal
REVENUE OUTTURN 2015/16

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ANNUAL REPORT & ACCOUNTS - CROPWOOD TRUST FOR THE PERIOD 2015/16

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14 Report of Strategic Director Finance & Legal
ANNUAL REPORT & ACCOUNTS - CENTRE FOR THE CHILD TRUST FOR THE PERIOD 2015/16

Report of Strategic Director of Finance & Legal

- 125 - 132** 15 **SURRENDER AND RENEWAL OF LEASE AT 187 HARBORNE LANE (SELLY OAK PARK (REGISTERED CHARITY NO 522877))**
- Item Description
- 133 - 138** 16 **CROPWOOD ESTATE - DISPOSAL OF FORMER CARETAKERS COTTAGE, SPIREHOUSE LANE**
- Item Description
- 139 - 148** 17 **ANNUAL REPORT & ACCOUNTS - 2014/15 BODENHAM**
- Report of Strategic Director of Finance & Legal
- 149 - 158** 18 **ANNUAL REPORT & ACCOUNTS - SIR WHITWORTH WALLIS PERIOD ENDING 31 MARCH 2016**
- Report of Strategic Director of Finance & Legal
- 159 - 160** 19 **TRUSTS AND CHARITIES COMMITTEE OUTSTANDING MINUTES LIST**
- To consider all Outstanding Minutes.
- 20 **OTHER URGENT BUSINESS**
- To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.
- 21 **AUTHORITY TO CHAIRMAN AND OFFICERS**
- Chairman to move:-
- 'In an urgent situation between meetings, the Chair jointly with the relevant Chief Officer has authority to act on behalf of the Committee'.
- 22 **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 - Exempt Paragraphs 3 and 4

PRIVATE AGENDA

- 23 **TRUSTS AND CHARITIES COMMITTEE - PRIVATE MINUTES 20 APRIL 2016**

Item Description

24 **SURRENDER AND RENEWAL OF LEASE AT 187 HARBORNE LANE
(SELLY OAK PARK (REGISTERED CHARITY NO 522877)) (PRIVATE)**

- Refer to Private Reason

25 **MATTERS ARISING - PRIVATE**

To discuss matters arising.

26 **OTHER URGENT BUSINESS (EXEMPT INFORMATION)**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.

BIRMINGHAM CITY COUNCIL

TRUSTS AND CHARITIES
COMMITTEE
20 APRIL 2016

PRESENT: Councillor Phil Davis in the Chair

Committee Members:

Councillor Ansar Ali Khan (AAK)

Councillor John Alden (JA)

Councillor Paul Tilsley (PT)

Councillor David Pears (DP)

Councillor Matthew Grogson (MG)

Officers:

Sanjeev Bhopal (SKB) Senior Solicitor, Legal & Democratic Services; Lorraine Fowkes (LF) for Legal & Democratic Services; Nigel G Oliver (NGO), Property Manager, BPS; Mark Szurminski (MS), Senior Business Analyst, Corporate Finance; Bob Dalrymple (DB), Education Services.

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NOTICE OF RECORDING

The Chairman advised the 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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APOLOGIES

Apologies for non-attendance were submitted on behalf of:

Councillor H Quinnen

Councillor I Cruise

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MINUTES

The public Minutes of the meeting of the Trusts and Charities Committee held on 2 March 2016 were confirmed as an accurate record subject to the correction of Councillor David Pears name in the list of attendees.

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MATTERS ARISING

Minute 798 - The Chairman provided an update in respect of Elford Parish Council; he had met with the Chairman of the Parish Council and it had been agreed to keep communication channels open and if any particular issues

arise [the Parish Council Chairman to raise with the Chairman.

Minute 802 - The Chairman clarified that the appointments to the new Chamberlain Highbury Trust from the Committee were not ex-officio.

Minute 804 - In respect of the car parking charges issue NGO informed Members that a list of relevant sites had been provided but the matter was currently held up in discussions with highways. NGO confirmed that it was still the intention to bring a report on this to a future meeting. The Chairman confirmed that he had spoken with the Deputy Leader of the Council on this matter and proposals were at any early stage; the Chairman stated that any charges on trust land would be subject to a view from this Committee.

Councillor Alden raised the issue of the sale of bricks from Crofton Park.

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DECLARATIONS OF INTERESTS

The Chairman reminded Members 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.

None were declared.

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REVENUE BUDGET MONITORING 2015/16 – QUARTER 3 (TO 31 DECEMBER 2015)

Mark Szurminski (MS) Senior Business Analyst, Corporate Finance, presented the report on Quarter 3 Budget Monitoring, which set out the position of trust balances as at 31 December 2015. The Report was for noting by Committee. Members were informed that final figures for 2015/16 would be presented to the next meeting.

The Chairman stated that he wished to pursue the transfer of funds to the Birmingham Municipal Charity (BMC) where possible to free up those funds and encourage bids from relevant applicants. The Chairman added that People Directorate (Margaret Aston-Grey) had agreed in principle to taking on the process for grant disbursements for BMC. A report would be brought forward on this in due course.

Councillor Tilsley queried the asset value shown in the accounts in respect of the Cropwood Trust and NGO clarified that this was the reinstatement value of the land and buildings rather than the market value.

RESOLVED:

Committee resolved to accept and note the report..

**CROPWOOD TRUST – THE STABLES, SPIREHOUSE LANE,
BLACKWELL, BROMSGROVE**

Bob Dalrymple (BD) from Education Services presented the report seeking approval to incorporate The Stables building into the general Cropwood Trust portfolio of buildings. BD informed Members of the background to the Trust and the proposal as set out in the report.

The Chairman sought clarification on the financial relationship between the Trust and the Committee in respect of income. NGO clarified that no income comes to the Committee from the Trust and that a review of the relevant documentation was needed.

The Chairman queried if the move to Academy status would impact on the position and stated it was imperative that the baseline legal position was clarified. Sanjeev Bhopal (SKB) confirmed that these issues had been picked up and the legal position was being investigated to ensure that the Members were discharging their duty as trustees.

Councillor Alden stated the school were doing a tremendous job and queried if money could be made available for refurbishment of the swimming pool.

Councillor Gregson stated that he would require clarity on the Academy position before proceeding. The Chairman stated that the Committee had previously received advice in respect of the legal position, that the provisions could not be enforced against the Trust and therefore felt the position was safeguarded.

RESOLVED:

1. To approve the incorporation of The Stables building into the general Cropwood portfolio of buildings currently occupied by Hunters Hill School, thus enabling the school to start re-providing outdoor learning education which meets the objects of the Charity.
2. To instruct officers in Legal Services and Corporate Finance to take all necessary steps to facilitate the transfer of The Stables to the general Cropwood portfolio of school buildings.
3. For a report to be received on the legal position at the next meeting of the Committee.

HIGHBURY TRUST

The Chairman provided a verbal update. The Board of the new Trust (Chamberlain Highbury Trust) had been fully formed and their request to transfer funds would take place once the Chairman was satisfied the appropriate audit trail and transparency requirements were in place. The Chairman could sign this matter off after taking advice from the Strategic Director of Finance and Legal Services using the Chairman's delegated powers. The Chairman would keep the Committee updated and if a formal decision was required would come back to the Committee. If any lease issues arise then this would be a matter for Trusts and Charities to

recommend and Full Council to approve.

RESOLVED:

That the matter be noted.

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**SURRENDER AND RENEWAL OF LEASE AT 187 HARBORNE LANE
(SELLY OAK PARK REGISTERED CHARITY No 522877)**

Nigel Oliver (NGO) provided an brief background to this matter; the property used to be used as a care home but that had become unviable. Proposed use was as student accommodation primarily for student nurses at nearby hospital. Proposal was for 125 year lease at market rent with 7 yearly rent reviews.

Councillor Gregson queried the frequency of the rent reviews and NGO provided clarification on the position.

RESOLVED: That the report be noted and the decision deferred to the Private part of the meeting.

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**TRUSTS & CHARITIES COMMITTEE – APPOINTMENTS PROTOCOL
PANEL**

The Chairman updated the Committee on the work undertaken to date; the Chairman had met with Councillors Alden and Tilsley and looked at the list of bodies; there was some cross over with Planning Committee and approval of the Cabinet would also be needed.

RESOLVED:

1. That the Committee notes the progress made by Members of the Trusts and Charities Committee Appointments Protocol Panel (the "Panel") as set out in Appendix 1 to the Report.

2. That the Committee authorises Councillor Philip Davis and the (Joint) City Solicitor and Monitoring Officer to Report on all progress and recommendations made by the Panel, to Cabinet and/or Council Business Management Committee ("CBM"), with a view to implementing any agreed revisions to the Council's Constitution, subject to any further recommendations made by the Committee and/or the outcome of any consultation agreed.

3. That the Committee authorises the Joint City Solicitor and Monitoring Officer to prepare, negotiate, execute, seal and complete all necessary documentation to give effect to the above decisions.

The Committee noted the schedule of outstanding minutes.

OTHER URGENT BUSINESS

Councillor Alden raised the issue of licences to sell ice creams in various parks and whether income from trust parks would be coming to this Committee. Nigel Oliver (NGO) undertook to provide a list of relevant parks.

The Chairman stated that this was part of the wider issue of this Committee being consulted at the appropriate time on matters affecting trust land. Sanjeev Bhopal (SKB) referred the Committee to the previous meeting and the issue of delegations being looked at.

Councillor Alden raised the issue of Grove Park and SKB stated this matter was in progress.

Noted.

AUTHORITY TO CHAIRMAN AND OFFICERS

The authority to the Chairman was agreed.

EXCLUSION OF THE PUBLIC

RESOLVED: That due to the nature of the business to be transacted which involves exempt information under paragraph 3 of Schedule 12A Local Government Act 1972 the public be excluded from the meeting.

.....

Cllr Philip Davis
Chairman of Trusts and Charities Committee

TRUSTS & CHARITIES COMMITTEE

Terms of Reference

To exercise the administrative powers and duties of Full Council (as Trustee) in relation to all trusts for which the Council is sole trustee (the "City Trusts").

To exercise the administrative powers of the "Council as Trustee" in accordance with the relevant governing documents of each trust and Charity Commission Scheme(s).

(a) Upon receipt from officers, to approve annual reports and accounts.

(b) Approve Charity Commission returns and all other regulatory documents.

(c) Respond to enquiries from Auditors or Independent Examiners.

(d) Inquire of and respond to the Charity Commission and any other regulatory bodies.

(e) Full Council sitting as "Council as Trustee" will be responsible for decisions concerning the use and/or disposal of charity property and assets, and will delegate the management of any City Trust to the Trusts and Charities Committee, with assistance from the Legal Services Team as and when required.

(f) To act as accountable manager for the Trusts and Charities, and be authorised to take all necessary administrative decisions and continue to report to Council Business Management Committee (as Trustee) as and when required.

(g) To compile and maintain a comprehensive and up to date list of the City Trusts.

(h) To take any other action deemed appropriate or necessary to ensure the proper management and administration of the City Trusts.

Report to:	Trust and Charities Committee	<i>Exempt information paragraph number – if private report:</i>
Report of:	Strategic Director – Finance and Legal Services	
Date of Decision:	20 July 2016	
SUBJECT:	ANNUAL REPORT AND ACCOUNTS – BIRMINGHAM MUNICIPAL CHARITY FOR THE PERIOD 2015/16	
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 To present for approval the 2015/16 Annual Report and Accounts for Birmingham Municipal Charity for the period ending 31 March 2016.

2. Decision(s) recommended:

- 2.1 The Committee acting on behalf of the Council as Trustee is recommended to approve the Annual Report and Accounts as set out within Appendix 1 of this Report.
- 2.2 The Committee acting on behalf of the Sole Corporate Trustee authorises officers in Corporate Finance to submit all appropriate and necessary documentation to the Charity Commission in respect of recommendation 2.1.

Contact Officer:	Mark Szurminski
Telephone No:	0121 675 0482
E-mail address:	Mark_szurminski@birmingham.gov.uk

3. Consultation

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

The Chairman of the Committee has been consulted in the preparation of this report as have officers in Legal Services.

3.2 External

N/A

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

N/A

4.2 Financial Implications
(Will decisions be carried out within existing finance and Resources?)

N/A

4.3 Legal Implications

The City Council acts as Sole Trustee for a number of charitable and non-charitable trusts and has delegated the management of these Trusts to the Trusts and Charities Committee, which includes approving the Accounts for any relevant charitable trust. Charitable trusts are regulated by the Charity Commission. 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

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 Public Sector Equality Duty (see separate guidance note)

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 The trust was established by a Trust deed dated 9 June 2011 by Birmingham City Council, and is a charitable trust.

5.2 The charitable objects of the Birmingham Municipal Charity are “to fund general charitable activity for the benefit of the citizens of the Birmingham.”

5.3 As referred to above, it is a requirement for all trusts that are registered with the Charity Commission to compile and submit annual audited accounts to the Commission ten months after the end of the financial year. the Charity Commission’s threshold for requiring trust fund accounts to be independently examined and forwarded to the Charity Commission is £25,000.

5.4 No independent examination was required as the total annual income for the financial year was £10,535.

6. Evaluation of alternative option(s):

6.1 It is a Charity Commission requirement to compile annual accounts.

7. Reasons for Decision(s):

7.1 For Committee to approve the Accounts.

Signatures	<u>Date</u>
Strategic Director Finance and Legal Services	
Chairman	

List of Background Documents used to compile this Report:

N/A

List of Appendices accompanying this Report (if any):

1. 2015-16 Accounts.

Birmingham Municipal Charity

**Registered Charity Number
1146182**

Report and Accounts

For the Year Ended 31 March 2016

Birmingham Municipal Charity
Legal And Administrative Details
Year Ended 31 March 2016

The Trust is a registered charity - number 1146182

The Trustee is Birmingham City Council

The address for correspondence is:

Mark Szurminski
10 Woodcock Street
Corporate Finance
P O Box 16306
Birmingham
B2 2XR

The Trust's bankers are:

Barclays Bank
15 Colore Row
Birmingham
B3 2BH

The Trust's independent examiner is:

Birmingham Municipal Charity

Report of the Trustees for the Year Ended 31 March 2016

The Trustees present their report along with the financial statements of the charity for the year ended 31 March 2016. The financial statements have been prepared in accordance with the accounting policies set out in the notes below and comply with the Charity's trust deed and applicable law.

Structure, Governance and Management

The Fund was established by a Trust Deed dated 9 June 2011 by Birmingham City Council, and is a charitable trust.

Objectives and Activities

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aim and objectives of the charity and in planning any future activities.

The objects and purposes of the Charity are to fund general charitable activity, for the benefit, and on behalf of, the citizens of Birmingham.

Financial Review and Policies

The endowment fund represents the value of the houses at cost.

The unrestricted funds may be invested in any type of investment and are reviewed regularly. Surplus unrestricted funds are built up to meet cyclical property repairs and to ensure sufficient funds are available to cover the annual maintenance of the properties and the administration costs of the Charity.

Birmingham Municipal Charity

Report of the Trustees for the Year Ended 31 March 2016 - Continued

Risk Management

The Trustees keep under review the major strategic and operational risks which the Charity faces and are satisfied that systems have been established in order to minimise the possible effects of such risks on the Charity.

Following the sale, in error, of one of the Trust's properties, as described above, the Trustees have ensured that additional safeguards have been put in place by the City Council to ensure that such a situation can not recur.

Trustees' Responsibilities in Relation to the Financial Statements.

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf by:

Trustee

Date

Birmingham Municipal Charity

Statement of Financial Activities For The Year Ended 31 March 2016

	Notes	Unrestricted Funds £	Endowment Funds £	Total 31-Mar-16 £	Total 31-Mar-15 £
Incoming Resources					
Rent Receivable		0	-	0	0
Bank and Investment Interest	2 (a)	9,612	-	9,612	2,425
Donation	2 (b)	0	-	0	7,769
Contribution from Birmingham City Council		923	-	923	0
Total Incoming Resources		10,535	0	10,535	10,194
Resources Expended					
Charitable Activities					
Repairs & Insurance		0	-	0	0
Grants payable in furtherance of the charity's objectives		1,000	-	1,000	0
Administration Fees		923	-	923	0
		1,923	-	1,923	0
Governance Costs					
Independent Examination Fees		0	-	0	0
Total Resources Expended		1,923	-	1,923	0
Net Incoming Resources		8,612	0	8,612	10,194
Other realised & unrealised losses					
Total gains / (losses) on investments		0	(17,201)	(17,201)	0
Net Movement in Funds		8,612	(17,201)	(8,589)	10,194
Reconciliation of Funds					
Balance of Fund Brought Forward at 1 April 2015		11,662	362,392	374,054	363,861
Balance of Fund Carried Forward at 31 March 2016		20,274	345,191	365,465	374,054

Balance Sheet as at 31 March 2016

		Unrestricted Funds £	Endowment Funds £	Total 2016 £	Total 2015 £
Fixed Assets					
Investments		-	0	0	0
		-	0	0	0
Current Assets					
Debtors	3	0	-	0	0
CCLA - COIF Investment Fund	4	0	345,191	345,191	362,392
CCLA - COIF Deposit Fund	5	20,274	-	20,274	11,662
		20,274	345,191	365,465	374,054
Creditors: amounts falling due within one year	6	0	-	0	0
Net Current Assets		20,274	345,191	365,465	374,054
Total Net Assets		20,274	345,191	365,465	374,054
Represented by:					
Funds		20,274	345,191	365,465	374,054

Trustee

Date _____

Birmingham Municipal Charity

**Notes forming part of the Financial Statements
for the Year Ended 31 March 2016**

Note 1 Principal Accounting Policies

a) Accounting Convention

The financial statements are prepared under the historical cost convention in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and within the provisions of the charities Act 1993.

In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

The Trustees have made use of the concession available for smaller charities within the SORP and have chosen to use resource classifications appropriate to the charity's circumstances and activities.

b) Incoming Resources

c) Resources Expended

Expenditure is accounted for on an accruals basis.

Governance Costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. Expenditure includes any VAT which cannot be recovered, which is reported as part of the expenditure to which it relates.

d) Tangible Fixed Assets

e) Fund Accounting

Details and the nature of each fund are set below.

Unrestricted Funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Endowment Funds represent those assets which must be held permanently by the charity.

	Total 2016 £	Total 2015 £
Note 2 (a) Bank and Investment Interest		
Birmingham City Council	0	1,685
CCLA - COIF Investment and Deposit account	9,612	740
	<u>9,612</u>	<u>2,425</u>

B) Donation of funds from the winding up of W J Loxley Trust.	-	7,769
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Note 3 Debtors

0	0
<u>0</u>	<u>0</u>

Note 4 Deposits (External)

CCLA - COIF Investment account	345,191	362,392
	<u>345,191</u>	<u>362,392</u>

Birmingham Municipal Charity

**Notes forming part of the Financial Statements
for the Year Ended 31 March 2016 - continued**

	Total 2016	Total 2015
Note 5 Cash at Bank		
CCLA - COIF Deposit account	20,274	11,662
	<u>20,274</u>	<u>11,662</u>

Note 6 Creditors - amounts falling due within one year

Birmingham City Council	0	0
Clement Keys - Independent examination fees	0	0
	<u>0</u>	<u>0</u>

Note 7 Trustee Remuneration and Expenses

No remuneration or expenses was paid to any Trustee from Charity funds during the year. (2015 nil).

Report to:	TRUST AND CHARITIES COMMITTEE	<i>Exempt information paragraph number – if private report:</i>
Report of:	Strategic Director – Finance and Legal Services	
Date of Decision:	20 July 2016	
SUBJECT:	BIRMINGHAM MUNICIPAL CHARITY – REVISED MECHANICS OF FUNDING	
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 For Committee to approve amendments to the Birmingham Municipal Charity (“BMC”) Mechanics of Funding as set out within this Report.

2. Decision(s) recommended:

- 2.1 That Committee approves the revisions to the Mechanics of Funding

Contact Officers:	Mark Szurminski and Sanjeev Bhopal
Telephone No:	0121 675 0482 0121 675 4673
E-mail address:	Mark.Szurminski@birmingham.gov.uk Sanjeev.Bhopal@birmingham.gov.uk

3. Consultation

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

The Chairman of the Committee has been consulted in the preparation of this report as have officers who support the Committee, from Legal Services, Strategic Director of Finance and Legal Services, (Joint) Acting City Solicitor and Monitoring Officer Birmingham Property Services.

3.2 External

Paragraph 3.19 of the charity's Trust Deed provides the Council as Trustee with authority "*To do anything else within the law which promotes or helps to promote the Objects.*" The revised Mechanics of Funding are intended to widen the existing Grants process and increase the sums the Charity is empowered to award. On that basis, no external consultation with the beneficiaries of the charity is deemed necessary at this point, subject to the views of the Members of the Committee.

4. **Compliance Issues:**

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

Notwithstanding the legal separation of functions, duties, and responsibilities as between Birmingham City Council and the Council in its capacity as Sole Corporate Trustee, the objects/purposes of the Council's charitable trusts, all have a commonality, namely for the benefit of the citizens of Birmingham. This is consistent with the Council's Policies, Plans and Strategies which are focused on "fair, democratic and prosperous Birmingham."

4.2 Financial Implications (Will decisions be carried out within existing finance and Resources?) See below under paragraph 5.5

4.3 Legal Implications

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 Public Sector Equality Duty (see separate guidance note) 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 The "BMC" Trust was established in 2011 by consolidating small and dormant charitable trusts within the Council which resulted in an endowment of £0.353m. The Trust has general charitable objectives for the benefit of the citizens of Birmingham.
- 5.3 The trust has a grants process whereby the Grants Panel (made up of three Members of the Committee) initially approve grant applications in principal. These recommendations are subsequently ratified by your Committee.

5.4 Committee approved the following amendments to Mechanics of Funding at its meeting in November 2015 - Appendix 2.

- To increase the maximum award per successful application from £500.00 to £10,000.00, subject to the available unrestricted balances in any one financial year;
- Revise the way funds are transferred into the “BMC” from other charities so that Committee will have greater flexibility in determining how funds are appropriated into which of its funds (unrestricted or restricted) on a case by case basis, so that a larger proportion, as determined by Committee, can be used for grants awards from its unrestricted balances.
- Annually transfer £0.050m from trust’s endowment fund to the unrestricted funds to meet charitable objectives, (with trust investments currently under-performing, the fund’s endowment could be extinguished within a short period of time if these are not funds are not replenished with no income/fundraising donations .)
- In the event of the annual allocation not being disbursed the amount shall be netted off against the following year’s allocation to be transferred from the trusts permanent endowment.
- Charitable donations of below £0.005m to be appropriated to unrestricted funds to meet charitable objectives.

It is recommended that the following proposals are added to the charity’s “Mechanics of funding” to ensure successful grant applications are released earlier:

- a) The Grants Panel is given the authority to approve grant applications up to a value of £5,000 per application without the need to ratify the decision by your Committee;
- b) Applications over £5,000 are to be presented to Trusts and Charities Committee for approval.
- c) At the end of each financial year a Report will be presented to this Committee detailing the award of grants.

The above recommendations have the approval of the Strategic Director – Finance and Legal Services.

6.	Evaluation of alternative option(s):						
6.1	<p>To continue with the existing arrangements could result in both regulatory and reputational harm to the Council as Trustee, if the Trust does not undertake sufficient charitable activity or provide public benefit in accordance with its Constitution. Against this, is the legal duty of prudence which can be summarised as follows:</p> <p>“You must act responsibly, reasonably and honestly. This is sometimes called the duty of prudence. Prudence is about exercising sound judgement. You and your co-trustees must:</p> <ul style="list-style-type: none"> •make sure the charity’s assets are only used to support or carry out its purposes •avoid exposing the charity’s assets, beneficiaries or reputation to undue risk •not over-commit the charity •take special care when investing or borrowing •comply with any restrictions on spending funds or selling land <p>You and your co-trustees should put appropriate procedures and safeguards in place and take reasonable steps to ensure that these are followed. Otherwise you risk making the charity vulnerable to fraud or theft, or other kinds of abuse, and being in breach of your duty.”</p>						
7.	Reasons for Decision(s):						
7.1	For Committee to approve the amendments to the Trusts Mechanics of Funding.						
<table style="width: 100%; border: none;"> <tr> <td style="width: 60%; border-bottom: 1px solid black; padding-bottom: 5px;">Signatures</td> <td style="width: 40%; border-bottom: 1px solid black; padding-bottom: 5px; text-align: right;"><u>Date</u></td> </tr> <tr> <td style="padding-top: 10px;">Strategic Director of Finance & Legal Services</td> <td style="padding-top: 10px; text-align: right;">.....</td> </tr> <tr> <td style="padding-top: 10px;">Chairman</td> <td style="padding-top: 10px; text-align: right;">.....</td> </tr> </table>		Signatures	<u>Date</u>	Strategic Director of Finance & Legal Services	Chairman
Signatures	<u>Date</u>						
Strategic Director of Finance & Legal Services						
Chairman						

List of Background Documents used to compile this Report:
None

List of Appendices accompanying this Report (if any):
Appendix 1 – Trust Deed – BMC
Appendix 2 - Existing Mechanics of Funding

TRUST DEED FOR THE
"THE BIRMINGHAM MUNICIPAL CHARITY"
A CHARITABLE TRUST

THIS TRUST DEED made by Birmingham City Council

The Trustee:

(1) Birmingham City Council

WITNESSES AS FOLLOWS:

1. INTRODUCTION

- 1.1 The Trustee holds the consolidated capital sum of £ 241,348.85 (as at January 2011) on the trusts declared in this Deed.
- 1.2 Further money or property may be paid or transferred to the **Trustee** for the **Charity**.
- 1.3 The sum referred to at paragraph 1.1, represents the total value of Trust fund balances in respect of various small and dormant Charitable Trusts where Birmingham City Council is sole corporate Trustee. Further details of each of the aforementioned Charitable Trusts, is set out at **Appendix "BMC1"**.
- 1.4 Birmingham City Council approved the process for consolidating dormant and small trusts on the 15 September 2010. On the 3 November 2010, the Trustee recommended consolidation of various Trust fund balances to a new Trust, namely, "The Birmingham Municipal Charity".

2. NAME & OBJECTS AND PURPOSES

- 2.1 The name of the Charity is "The Birmingham Municipal Charity" (or any other name chosen by resolution of the Trustee).
- 2.2 The Objects and purposes of the Charity are to fund general charitable activity, for the benefit, and on behalf of, the citizens of Birmingham.
- 2.3 The Trustee must use the income and may use the capital of the Charity in promoting the Objects and Purposes of the Charity.

3. POWERS

The Trustee has the following powers, which *may* be exercised only in promoting the Objects and Purposes:

- 3.1 To promote or carry out research.
- 3.2 To provide advice.
- 3.3 To publish or distribute information.
- 3.4 To co-operate with other bodies.
- 3.5 To support, administer or set up other charities.
- 3.6 To raise funds (but not by means of **taxable trading**).
- 3.7 To borrow money and give security for loans (but only in accordance with the restrictions imposed by the **Charities Act**).
- 3.8 To acquire or hire property of any kind.
- 3.9 To let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act).
- 3.10 To make grants or loans of money and to give guarantees.
- 3.11 To set aside funds for special purposes or as reserves against future

expenditure.

- 3.12 To deposit or invest funds in any manner (but to invest only after obtaining such advice from a **financial expert** as the Trustee considers necessary and having regard to the suitability of investments and the need for diversification).
- 3.13 To delegate the management of investments to a financial expert, but only on terms that:
- (1) the investment policy is recorded **in writing** for the financial expert by the Trustee;
 - (2) every transaction is reported promptly to the Trustee;
 - (3) the performance of the investments is reviewed regularly with the Trustee;
 - (4) the Trustee is entitled to cancel the delegation arrangement at any time;
 - (5) the investment policy and the delegation arrangement are reviewed at least once a **year**;
 - (6) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are reported promptly to the Trustee on receipt;
 - (7) the financial expert must not do anything outside the powers of the Trustee.
- 3.14 To insure any such property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required.
- 3.15 To employ paid or unpaid agents, staff or advisers.
- 3.16 To enter into contracts to provide services to or on behalf of other bodies.

3.17 To establish or acquire subsidiary companies to assist or act as agents for the Charity.

3.18 To pay the costs of forming the Charity.

3.19 To do anything else within the law which promotes or helps to promote the Objects and Purposes of this Charity.

3.20 Power to delegate the performance of any act, including the exercise of any power or discretion, to a Committee. The Trustee must exercise reasonable supervision over the Committee and the Committee must promptly report their acts and proceedings to the Trustee. The Committee must not incur expenditure on behalf of the charity except in accordance with a budget previously agreed by the Trustee.

4. PROCEEDINGS OF TRUSTEE

4.1 The Trustee must meet at least every 6 months of each year.

5. DECISION-MAKING

The Trustee has the following procedural powers in relation to decision-making:

5.1 To make regulations consistent with this Deed to govern the administration of the Charity including the use and application of the income, any such property and funds, the operation of bank accounts and the commitment of funds.

6. BENEFITS TO TRUSTEE

6.1 The property and funds of the Charity must only be used for promoting Objects and Purposes of the Charity and do not belong to the Trustee. [The following

provisions of this clause take effect subject to the proviso to clause 2.3.]

7. PROPERTY AND FUNDS

7.1 Funds which are not required for immediate use (including those which will be required for use at a future date) must be placed on deposit or invested in accordance with clause 3.12 until needed.

7.2 Investments and other property of the Charity may be held:

- (1) in the names of the Trustee;
- (2) in the name of a trust corporation as a **holding trustee** for the Charity which must be appointed (and may be removed) by deed executed by the Trustee;

8. RECORDS & ACCOUNTS

8.1 The Trustee must comply with the requirements of the Charities Act as to the keeping of financial records, the audit or independent examination of the accounts and the preparation and transmission to the Commission of:

- (1) annual returns;
- (2) annual reports; and
- (3) annual statements of account.

8.2 The Trustee must maintain proper records of:

- (1) all proceedings at meetings of the Trustee;
- (2) all reports of committees; and
- (3) all professional advice obtained.

9. AMENDMENTS

This Deed may be amended by supplemental deed on a resolution passed by the Trustee but:

- 9.1 No amendment is valid if it would make a **fundamental change** to the Objects and Purposes or to this clause or destroy the charitable status of the Charity.
- 9.2 Clause 2.2 and 11 may not be amended without the prior written consent of the Commission.

10. AMALGAMATION

- 10.1 The Trustee may at any time on a resolution passed by the Trustee transfer the assets and liabilities of the Charity to another charity.
- 10.2 The transferee Charity must be established for exclusively charitable purposes within, the same as or similar to the Objects and Purposes set out herein.
- 10.3 On a transfer under clause 10.1 the Trustee must ensure that all necessary steps are taken as to:
 - (1) the transfer of land and other property;
 - (2) the novation of contracts of employment and the transfer of any pension rights; and
 - (3) the trusteeship of any property held for special purposes.

11. DISSOLUTION

- 11.1 The Trustee may at any time decide by resolution passed by the Trustee that the Charity is to be dissolved. The Trustee will then be responsible

for the orderly winding up of the Charity's affairs.

11.2 After making provision for all outstanding liabilities of the Charity, the Trustee must apply the remaining property and funds in one or more of the following ways:

- (1) by transfer to one or more other bodies established for exclusively charitable purposes within, the same as or similar to the Objects;
- (2) directly for the Objects or charitable purposes within or similar to the Objects; or
- (3) in such other manner consistent with charitable status as the Commission approves in writing in advance.

11.3 A final report and statement of account relating to the Charity must be sent to the Commission.

12. INTERPRETATION

In this Deed:

12.1 The following expressions have the following meanings:

'the Charities Act' means the Charities Acts 1993 and 2006;

'the Charity' means the charitable trust created and governed by this Deed;

'charity trustee' has the meaning prescribed by section 97(1) of the Charities Act;

'the Commission' means the Charity Commission for England and Wales or any body which replaces it;

'financial expert' means an individual, company or firm who is authorised to give investment advice under the Financial Services and Markets Act 2000;]

'financial year' means the Charity's financial year;

'the Trustee' means the party to this Deed;

'firm' includes a limited liability partnership;

'fundamental change' means such a change as would not have been within the reasonable contemplation of a person making a donation to the Charity;

'holding trustee' means an individual or corporate body responsible for holding the title to property but not authorised to make any decisions relating to its use, investment or disposal;

[means insurance against personal liability incurred by any Trustee for an act or omission which is or is alleged to be a breach of trust or breach of duty, unless the Trustee concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty].

'independent examiner' has the meaning prescribed by the Charities Act;

'month' means calendar month;

'the Objects' means the charitable objects set out in clause 2;

'taxable trading' means carrying on a trade or business for the principal purpose of raising funds, and not for the purpose of actually carrying out the Objects, the profits of which are liable to income tax;

'trust corporation' has the meaning prescribed by section 205(1)(xxviii) of the Law of Property Act 1925 but does not include the Public Trustee;

'Trustee' means a trustee of the Charity.

'written' or 'in writing' refers to a legible document on paper or a document sent by electronic means which is capable of being printed out on paper;

'year' means calendar year;

**Proposed Dormant and Small Trusts to be transferred to
Birmingham Municipal Charity**

	(A) Scheme	(B) Directorate	(C) Balance 30.9.10 £
	Trusts for Consolidation		
n/a	John & Mable Brewin	A&C	36,214.57
n/a	Francis Leonard Clarke Bequest	A&C	4,581.88
n/a	Estate of Margaret May Jones	A&C	12.22
n/a	Mackenzie Legacy	A&C	0.00
n/a	Summerhill Homes	A&C	9,366.00
n/a	Maypole Grove Day Centre	A&C	2,614.53
5288861	Airey, Dr	CYP&F	650.71
n/a	Barton, Alice	CYP&F	647.73
528947	Beston, M G	CYP&F	80.07
504174	Boote, M.	CYP&F	153.72
528926	Booth, H	CYP&F	834.51
528932	Boughton, G.B. (Alderman)	CYP&F	1,897.20
528943	Boxfoldia (Winifred Jones)	CYP&F	56.57
528942	Brampton History	CYP&F	6,491.77
529068	Brian Memorial	CYP&F	630.95
n/a	Burke, Harold	CYP&F	47.13
700935	Bordesley Centre	CYP&F	2,259.14
529064	College of Art (Oxley)	CYP&F	3,881.91
n/a	Chopping, R.	CYP&F	11,984.25
529068/3	Clarke, Robert	CYP&F	482.85
n/a	Consolidated Trust Fund	CYP&F	7,937.39
n/a	Doris L. Finney Bequest	CYP&F	0.00
n/a	Fallows, T.S.	CYP&F	72.34
n/a	Former Staff Association	CYP&F	2,029.36
528948	Haines, Tom	CYP&F	611.81
528924	Hallas, Eldred	CYP&F	786.66
n/a	Hastillo, C.	CYP&F	403.87
529068	Henry, Graham	CYP&F	317.19
n/a	Husband, G.	CYP&F	136.95
528862	Innes, Sir Peter	CYP&F	41.38
528980	Kings Heath & Moseley Institute	CYP&F	23,332.99
528931	McCarthy	CYP&F	236.53
528868	Marriott, N.S.	CYP&F	34.92
528951	Martin, Patricia	CYP&F	91.59
504174	Mills, A.H.	CYP&F	219.68
528921	Pupil Teacher Centre	CYP&F	3,680.54
n/a	Queen Elizabeth Silver Jubilee	CYP&F	229.16
528949	Russell, E.L.	CYP&F	127.24
n/a	Reeves, Francis	CYP&F	622.54
n/a	Samuel, H. Travel & Salesman	CYP&F	115.45
n/a	Skills Endowment	CYP&F	1,609.35
528934	Tagore Essay	CYP&F	219.62
n/a	Terry, A.	CYP&F	1,051.23
528946	Tyler, Winifred	CYP&F	212.93
700662	Waverley Trust	CYP&F	2,460.87
528944	Wheeldon, W. Edwin	CYP&F	213.15
528927	Yardleys School War Memorial	CYP&F	77.86
n/a	Lionel Aldridge Bequest	Corporate	13,513.99
n/a	Horton and Staite Memorial Fund	Corporate	72,945.23
n/a	JHH Ferrer Bequest	Corporate	10,163.24
n/a	Kate and Walter Bick	Corporate	226.42
218615	Jackson Middlemore	Corporate	1,070.02
217299	John Foster Vince Memorial Fund	Corporate	6,518.44
n/a	Alderman Grey Memorial	Corporate	280.30
n/a	Sutton Street Maternity & Child Welfare	Corporate	2,683.83
246002	Swiffen Bequest	Corporate	874.07
213818	Old Public Hall	Housing & Con.	3,313.00
	Trusts for Consolidation		241,348.85

12.2 References to an Act of Parliament are references to the Act as amended or re-enacted from time to time and to any subordinate legislation made under it.

IN WITNESS of the above the Trustee has executed this Deed

SIGNED AS A DEED BY



[Name of Trustee]

[Corporate Seal]

Birmingham City Council

in the presence of:

[Name, address and occupation of witness]

[Signature of Witness]

The Lord Mayor of Birmingham

Councillor Anita Ward

Council House,

Victoria Square

Birmingham

B1 1BB

9th day of June 2011

Appendix 2

Management of the Birmingham Municipal Charity

Setting Up

1. With the pending consolidation of dormant and small trusts (registered and unregistered) into the **Birmingham Municipal Charity** (BMC). It is proposed that the new trust fund objective is a general charitable nature.
2. The trusts endowment is likely to be in the region of £240k and could generate annual income in the region of £5k (interest rate used 2.25%). It is proposed that **only** the annual accumulated interest will be made available to award grants. It will be safe to assume that the initial amount of annual funding available will be insufficient to meet demand.
3. If resolution 2.3 is adopted the trust will be called the Birmingham Municipal Charity.
4. Committee approved on 12 November 2015 to increase the threshold for awarding grants per application from £500 to £10,000, subject to funds being available in the Trusts unrestricted balances.
5. It is proposed that when the new fund is established all funds be consolidated and transferred into the permanent endowment element of the fund.
6. Subject to Charity Committee approval, annually transfer £0.050m from the trust's restricted to the unrestricted funds to meet charitable objectives.
7. In the event of annual allocation not being disbursed in the year, the balance shall be netted off against the following year's allocation to be transferred from the Trust's restricted funds.
8. Capital donations (dormant, wound up funds), subject to Charity Commission approval, Committee to have greater flexibility in determining how funds are appropriated into which funds (unrestricted / restricted) on a case by case basis, so that a larger proportion, as determined by Committee, can be used for grant awards from its unrestricted balances. Subject to Charity Commission approval.
9. Any fund raising or donations to be allocated directly to the permanent endowment element of the fund. Unless specifically raised to meet revenue funding.
10. As agreed by Trust and Charities Committee on 12 November 2015, apply all charitable donations below £5,000 to BMC's unrestricted fund to be used to meet the Trusts objectives.
11. Committee Approval to be sought for funds to be transferred between the Trusts permanent endowment and unrestricted funds.

Funding Application.

1. Grant awards for specific projects or from individuals will be considered.
2. In the first instance, applications to be submitted to the trusts secretary.
3. City Council officers will be available to support Trustees in vetting applications before a grants panel agrees a list to go forward to Trust and Charities Committee for approval.

Criteria of funding:

1. Grants to be awarded to recipients or beneficiaries who reside within the boundary of the City Council.
2. Grants awarded to be defrayed in the financial year or within 6 months of approval, unless agreed otherwise.
3. Evidence of tangible "public benefit" to be demonstrated in the application Form.
4. Spend is for the benefit of the citizens of Birmingham.
5. Documentary evidence of spend should be provided.
6. A narrative report to be submitted once the grant provided has been defrayed, confirming the use of funds and public benefit.
7. Funding letter to be forwarded to successful applicants
8. Applicants to sign funding agreement and Condition of Grant Aid prior to funds being released.

Management Costs

Staffing costs to run the Trust are to be met in part (proportion to be decided) from the funds unrestricted element.

Review

1. Report to Trusts and Charities Committee on first year of the fund is to be submitted by 30 September 2012.
2. 18 months after the inception of the fund a review should be undertaken to establish if the Trust is operating effectively and report to the Trusts and Charities Committee by 31 March 2013.

Report to:	TRUSTS AND CHARITIES COMMITTEE	<i>Exempt information paragraph number – if private report:</i>
Report of: Date of Decision:	Strategic Director – Finance and Legal Services 20 July 2016	
SUBJECT:	BIRMINGHAM MUNICIPAL CHARITY – AWARD OF GRANT : BILLESLEY COMMON ACTION PLAN (VALLEY RIVERSIDE PROJECT)	
Key Decision: No	Relevant Forward Plan Ref:	
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) or Relevant Executive Member for Local Services:	N/A	
Relevant O&S Chairman:	N/A	
Wards affected:	ALL	

1. Purpose of report:
<p>1.1 On the recommendation of the charity's Grants Panel, the Committee's approval is sought to award grant of £1,000 to Billesley Common Action Plan from the unrestricted funds of the Birmingham Municipal Charity ("BMC").</p> <p>1.2 This matter was not included in the Forward Plan because the governance of Charitable Trusts does not give rise to any "key" decisions.</p>

2. Decision(s) recommended:
<p>2.1 To award a grant from the "BMC" to the charitable organisation set out in Appendix 3.</p> <p>2.2 To instruct officers in Finance and Legal Services to take all necessary steps to facilitate the award of any grants to any successful applicant, and Report back to a future Committee meeting, once the grant application project has been completed.</p>

Lead Contact Officer(s):	Sanjeev Bhopal, Senior Solicitor Legal & Democratic Services, Mark Szurminski, Senior Business Analyst Economy Directorate.
Telephone No: E-mail address:	0121 675 4673 Sanjeev.Bhopal@birmingham.gov.uk 0121 675 0482 mark.szurminski@birmingham.gov.uk

3.	Consultation
	Consultation should include those that have an interest in the decisions recommended
3.1	<p><u>Internal</u></p> <p>The Chairman of the Committee was consulted on the preparation of this Report. Additionally, a Grants Panel, consisting of the Councillor Ansar Ali Khan, Councillor John Alden, Sanjeev Bhopal and Mark Szurminski have reviewed the application submitted and assessed whether it met the terms of funding for the “BMC”. The Mechanics of Funding document is attached at Appendix 2.</p>
3.2	<p><u>External</u></p> <p>N/A</p>
4.	Compliance Issues:
4.1	<p><u>Are the recommended decisions consistent with the Council’s policies, plans and strategies?</u></p> <p>The objects/purposes of the Council’s charitable trusts, all have a commonality, namely for the benefit of the citizens of Birmingham. This is consistent with the Council's Policies, Plans and Strategies which are focused on “fair, democratic and prosperous Birmingham.”</p>
4.2	<p><u>Financial Implications</u> (Will decisions be carried out within existing finance and Resources?)</p> <p>Please refer to paragraph 5.6 below (Charity Finances).</p>
4.3	<p><u>Legal Implications</u></p> <p>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.</p>
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 Trusts and Charities Committee recommended in November 2010 to Full Council, sitting as Corporate Trustee to consolidate a number of small and dormant trusts into the newly established "BMC".
- 5.2 Full Council approved the consolidation of the small and dormant trusts into the "BMC" in January 2011.
- 5.3 Following its creation, officers registered the "BMC" with the Charity Commission ("CC").

Aims and Objectives of the Charity

- 5.4 The Trustees are referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aim and objectives of the charity and in planning any future activities (S17 Charities Act 2011). The objects and purposes of the Charity are to fund general charitable activity, for the benefit, and on behalf of, the citizens of Birmingham. For a purpose to be charitable it must be one which falls within the definition of S3(1) Charities Act and is for "public benefit" as set out within S4 Charities Act 2011.

Trustee Powers

- 5.5 The charity's constitution is set out within the executed Trust Deed dated the 9th June 2012 (See Appendix 1). At paragraph 2.3 the Trustees are permitted to use both the income and capital from the Charity's finances to promote the objects and purposes of the charity. Paragraph 3.10 specifically provides the power to "to make grants and loans of money and give guarantees." Awarding grants in this manner would therefore be within the charity's constitution.

Charity Finances

- 5.6 In the last set of accounts for BMC for the period up to 31 March 2016, the balance of the unrestricted funds carried forward was £20,274,. The endowment fund for the same period was £345,191, providing a combined income of £365,465. Following interest received and deducting grants awarded this financial year, the balance on the Trusts unrestricted funds stands at £20,274. If the application of £1,000 is successful it will be met from the charity's unrestricted balances. At present the charity is not committed to any further expenditure from its unrestricted balances for this financial year.

Applications received

- 5.7 The Committee are asked to consider and determine the Application for funding for a sum up to **£1,000**. Full details of each application are set out within Appendix 3 to this Report.

6. Evaluation of alternative option(s):

- 6.1 If the Committee determine not to award any grants, the unrestricted balances remain unaffected and will accrue in the usual way, subject to the comments at paragraph 4.6 above. Although the charity was only constituted in 2012, the Committee is obliged to ensure that the charity is administered for the purposes for which it was established.

Both regulatory and reputational harm to the Council as Trustee could arise if the Trust does not undertake sufficient charitable activity or provide public benefit in accordance with its Constitution. Against this, is the legal duty of prudence which can be summarised as follows:

“You must act responsibly, reasonably and honestly. This is sometimes called the duty of prudence. Prudence is about exercising sound judgement. You and your co-trustees must:

- make sure the charity’s assets are only used to support or carry out its purposes
- avoid exposing the charity’s assets, beneficiaries or reputation to undue risk
- not over-commit the charity
- take special care when investing or borrowing
- comply with any restrictions on spending funds or selling land

You and your co-trustees should put appropriate procedures and safeguards in place and take reasonable steps to ensure that these are followed. Otherwise you risk making the charity vulnerable to fraud or theft, or other kinds of abuse, and being in breach of your duty.”

7. Reasons for Decision(s):

- 7.1 To approve the awarding of the grant to the organisation set out in Appendix 3.

Signatures

Date

Chairman of the Trusts & Charities Committee

Strategic Director of Finance & Legal Services

List of Background Documents used to compile this Report:

None

List of Appendices accompanying this Report (if any):

1. Appendix 1 – Trust Deed.
2. Appendix 2 – **Mechanics of Funding**.
3. Appendix 3 – Application Form.

TRUST DEED FOR THE
"THE BIRMINGHAM MUNICIPAL CHARITY"
A CHARITABLE TRUST

THIS TRUST DEED made by Birmingham City Council

The Trustee:

(1) Birmingham City Council

WITNESSES AS FOLLOWS:

1. INTRODUCTION

- 1.1 The Trustee holds the consolidated capital sum of £ 241,348.85 (as at January 2011) on the trusts declared in this Deed.
- 1.2 Further money or property may be paid or transferred to the **Trustee** for the **Charity**.
- 1.3 The sum referred to at paragraph 1.1, represents the total value of Trust fund balances in respect of various small and dormant Charitable Trusts where Birmingham City Council is sole corporate Trustee. Further details of each of the aforementioned Charitable Trusts, is set out at **Appendix "BMC1"**.
- 1.4 Birmingham City Council approved the process for consolidating dormant and small trusts on the 15 September 2010. On the 3 November 2010, the Trustee recommended consolidation of various Trust fund balances to a new Trust, namely, "The Birmingham Municipal Charity".

2. NAME & OBJECTS AND PURPOSES

- 2.1 The name of the Charity is "The Birmingham Municipal Charity" (or any other name chosen by resolution of the Trustee).
- 2.2 The Objects and purposes of the Charity are to fund general charitable activity, for the benefit, and on behalf of, the citizens of Birmingham.
- 2.3 The Trustee must use the income and may use the capital of the Charity in promoting the Objects and Purposes of the Charity.

3. POWERS

The Trustee has the following powers, which *may* be exercised only in promoting the Objects and Purposes:

- 3.1 To promote or carry out research.
- 3.2 To provide advice.
- 3.3 To publish or distribute information.
- 3.4 To co-operate with other bodies.
- 3.5 To support, administer or set up other charities.
- 3.6 To raise funds (but not by means of **taxable trading**).
- 3.7 To borrow money and give security for loans (but only in accordance with the restrictions imposed by the **Charities Act**).
- 3.8 To acquire or hire property of any kind.
- 3.9 To let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act).
- 3.10 To make grants or loans of money and to give guarantees.
- 3.11 To set aside funds for special purposes or as reserves against future

expenditure.

- 3.12 To deposit or invest funds in any manner (but to invest only after obtaining such advice from a **financial expert** as the Trustee considers necessary and having regard to the suitability of investments and the need for diversification).
- 3.13 To delegate the management of investments to a financial expert, but only on terms that:
- (1) the investment policy is recorded **in writing** for the financial expert by the Trustee;
 - (2) every transaction is reported promptly to the Trustee;
 - (3) the performance of the investments is reviewed regularly with the Trustee;
 - (4) the Trustee is entitled to cancel the delegation arrangement at any time;
 - (5) the investment policy and the delegation arrangement are reviewed at least once a **year**;
 - (6) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are reported promptly to the Trustee on receipt;
 - (7) the financial expert must not do anything outside the powers of the Trustee.
- 3.14 To insure any such property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required.
- 3.15 To employ paid or unpaid agents, staff or advisers.
- 3.16 To enter into contracts to provide services to or on behalf of other bodies.

3.17 To establish or acquire subsidiary companies to assist or act as agents for the Charity.

3.18 To pay the costs of forming the Charity.

3.19 To do anything else within the law which promotes or helps to promote the Objects and Purposes of this Charity.

3.20 Power to delegate the performance of any act, including the exercise of any power or discretion, to a Committee. The Trustee must exercise reasonable supervision over the Committee and the Committee must promptly report their acts and proceedings to the Trustee. The Committee must not incur expenditure on behalf of the charity except in accordance with a budget previously agreed by the Trustee.

4. PROCEEDINGS OF TRUSTEE

4.1 The Trustee must meet at least every 6 months of each year.

5. DECISION-MAKING

The Trustee has the following procedural powers in relation to decision-making:

5.1 To make regulations consistent with this Deed to govern the administration of the Charity including the use and application of the income, any such property and funds, the operation of bank accounts and the commitment of funds.

6. BENEFITS TO TRUSTEE

6.1 The property and funds of the Charity must only be used for promoting Objects and Purposes of the Charity and do not belong to the Trustee. [The following

provisions of this clause take effect subject to the proviso to clause 2.3.]

7. PROPERTY AND FUNDS

7.1 Funds which are not required for immediate use (including those which will be required for use at a future date) must be placed on deposit or invested in accordance with clause 3.12 until needed.

7.2 Investments and other property of the Charity may be held:

- (1) in the names of the Trustee;
- (2) in the name of a trust corporation as a **holding trustee** for the Charity which must be appointed (and may be removed) by deed executed by the Trustee;

8. RECORDS & ACCOUNTS

8.1 The Trustee must comply with the requirements of the Charities Act as to the keeping of financial records, the audit or independent examination of the accounts and the preparation and transmission to the Commission of:

- (1) annual returns;
- (2) annual reports; and
- (3) annual statements of account.

8.2 The Trustee must maintain proper records of:

- (1) all proceedings at meetings of the Trustee;
- (2) all reports of committees; and
- (3) all professional advice obtained.

9. AMENDMENTS

This Deed may be amended by supplemental deed on a resolution passed by the Trustee but:

- 9.1 No amendment is valid if it would make a **fundamental change** to the Objects and Purposes or to this clause or destroy the charitable status of the Charity.
- 9.2 Clause 2.2 and 11 may not be amended without the prior written consent of the Commission.

10. AMALGAMATION

- 10.1 The Trustee may at any time on a resolution passed by the Trustee transfer the assets and liabilities of the Charity to another charity.
- 10.2 The transferee Charity must be established for exclusively charitable purposes within, the same as or similar to the Objects and Purposes set out herein.
- 10.3 On a transfer under clause 10.1 the Trustee must ensure that all necessary steps are taken as to:
 - (1) the transfer of land and other property;
 - (2) the novation of contracts of employment and the transfer of any pension rights; and
 - (3) the trusteeship of any property held for special purposes.

11. DISSOLUTION

- 11.1 The Trustee may at any time decide by resolution passed by the Trustee that the Charity is to be dissolved. The Trustee will then be responsible

for the orderly winding up of the Charity's affairs.

11.2 After making provision for all outstanding liabilities of the Charity, the Trustee must apply the remaining property and funds in one or more of the following ways:

- (1) by transfer to one or more other bodies established for exclusively charitable purposes within, the same as or similar to the Objects;
- (2) directly for the Objects or charitable purposes within or similar to the Objects; or
- (3) in such other manner consistent with charitable status as the Commission approves in writing in advance.

11.3 A final report and statement of account relating to the Charity must be sent to the Commission.

12. INTERPRETATION

In this Deed:

12.1 The following expressions have the following meanings:

'the Charities Act' means the Charities Acts 1993 and 2006;

'the Charity' means the charitable trust created and governed by this Deed;

'charity trustee' has the meaning prescribed by section 97(1) of the Charities Act;

'the Commission' means the Charity Commission for England and Wales or any body which replaces it;

'financial expert' means an individual, company or firm who is authorised to give investment advice under the Financial Services and Markets Act 2000;]

'financial year' means the Charity's financial year;

'the Trustee' means the party to this Deed;

'firm' includes a limited liability partnership;

'fundamental change' means such a change as would not have been within the reasonable contemplation of a person making a donation to the Charity;

'holding trustee' means an individual or corporate body responsible for holding the title to property but not authorised to make any decisions relating to its use, investment or disposal;

[means insurance against personal liability incurred by any Trustee for an act or omission which is or is alleged to be a breach of trust or breach of duty, unless the Trustee concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty].

'independent examiner' has the meaning prescribed by the Charities Act;

'month' means calendar month;

'the Objects' means the charitable objects set out in clause 2;

'taxable trading' means carrying on a trade or business for the principal purpose of raising funds, and not for the purpose of actually carrying out the Objects, the profits of which are liable to income tax;

'trust corporation' has the meaning prescribed by section 205(1)(xxviii) of the Law of Property Act 1925 but does not include the Public Trustee;

'Trustee' means a trustee of the Charity.

'written' or 'in writing' refers to a legible document on paper or a document sent by electronic means which is capable of being printed out on paper;

'year' means calendar year;

**Proposed Dormant and Small Trusts to be transferred to
Birmingham Municipal Charity**

	(A) Scheme	(B) Directorate	(C) Balance 30.9.10 £
	Trusts for Consolidation		
n/a	John & Mable Brewin	A&C	36,214.57
n/a	Francis Leonard Clarke Bequest	A&C	4,581.88
n/a	Estate of Margaret May Jones	A&C	12.22
n/a	Mackenzie Legacy	A&C	0.00
n/a	Summerhill Homes	A&C	9,366.00
n/a	Maypole Grove Day Centre	A&C	2,614.53
5288861	Airey, Dr	CYP&F	650.71
n/a	Barton, Alice	CYP&F	647.73
528947	Beston, M G	CYP&F	80.07
504174	Boote, M.	CYP&F	153.72
528926	Booth, H	CYP&F	834.51
528932	Boughton, G.B. (Alderman)	CYP&F	1,897.20
528943	Boxfoldia (Winifred Jones)	CYP&F	56.57
528942	Brampton History	CYP&F	6,491.77
529068	Brian Memorial	CYP&F	630.95
n/a	Burke, Harold	CYP&F	47.13
700935	Bordesley Centre	CYP&F	2,259.14
529064	College of Art (Oxley)	CYP&F	3,881.91
n/a	Chopping, R.	CYP&F	11,984.25
529068/3	Clarke, Robert	CYP&F	482.85
n/a	Consolidated Trust Fund	CYP&F	7,937.39
n/a	Doris L. Finney Bequest	CYP&F	0.00
n/a	Fallows, T.S.	CYP&F	72.34
n/a	Former Staff Association	CYP&F	2,029.36
528948	Haines, Tom	CYP&F	611.81
528924	Hallas, Eldred	CYP&F	786.66
n/a	Hastillo, C.	CYP&F	403.87
529068	Henry, Graham	CYP&F	317.19
n/a	Husband, G.	CYP&F	136.95
528862	Innes, Sir Peter	CYP&F	41.38
528980	Kings Heath & Moseley Institute	CYP&F	23,332.99
528931	McCarthy	CYP&F	236.53
528868	Marriott, N.S.	CYP&F	34.92
528951	Martin, Patricia	CYP&F	91.59
504174	Mills, A.H.	CYP&F	219.68
528921	Pupil Teacher Centre	CYP&F	3,680.54
n/a	Queen Elizabeth Silver Jubilee	CYP&F	229.16
528949	Russell, E.L.	CYP&F	127.24
n/a	Reeves, Francis	CYP&F	622.54
n/a	Samuel, H. Travel & Salesman	CYP&F	115.45
n/a	Skills Endowment	CYP&F	1,609.35
528934	Tagore Essay	CYP&F	219.62
n/a	Terry, A.	CYP&F	1,051.23
528946	Tyler, Winifred	CYP&F	212.93
700662	Waverley Trust	CYP&F	2,460.87
528944	Wheeldon, W. Edwin	CYP&F	213.15
528927	Yardleys School War Memorial	CYP&F	77.86
n/a	Lionel Aldridge Bequest	Corporate	13,513.99
n/a	Horton and Staite Memorial Fund	Corporate	72,945.23
n/a	JHH Ferrer Bequest	Corporate	10,163.24
n/a	Kate and Walter Bick	Corporate	226.42
218615	Jackson Middlemore	Corporate	1,070.02
217299	John Foster Vince Memorial Fund	Corporate	6,518.44
n/a	Alderman Grey Memorial	Corporate	280.30
n/a	Sutton Street Maternity & Child Welfare	Corporate	2,683.83
246002	Swiffen Bequest	Corporate	874.07
213818	Old Public Hall	Housing & Con.	3,313.00
	Trusts for Consolidation		241,348.85

12.2 References to an Act of Parliament are references to the Act as amended or re-enacted from time to time and to any subordinate legislation made under it.

IN WITNESS of the above the Trustee has executed this Deed

SIGNED AS A DEED BY



[Name of Trustee]

[Corporate Seal]

Birmingham City Council

in the presence of:

[Name, address and occupation of witness]

[Signature of Witness]

The Lord Mayor of Birmingham

Councillor Anita Ward

Council House,

Victoria Square

Birmingham

B1 1BB

9th day of June 2011

Appendix 2

Management of the Birmingham Municipal Charity

Setting Up

1. With the pending consolidation of dormant and small trusts (registered and unregistered) into the **Birmingham Municipal Charity** (BMC). It is proposed that the new trust fund objective is a general charitable nature.
2. The trusts endowment is likely to be in the region of £240k and could generate annual income in the region of £5k (interest rate used 2.25%). It is proposed that **only** the annual accumulated interest will be made available to award grants. It will be safe to assume that the initial amount of annual funding available will be insufficient to meet demand.
3. If resolution 2.3 is adopted the trust will be called the Birmingham Municipal Charity.
4. Committee approved on 12 November 2015 to increase the threshold for awarding grants per application from £500 to £10,000, subject to funds being available in the Trusts unrestricted balances.
5. It is proposed that when the new fund is established all funds be consolidated and transferred into the permanent endowment element of the fund.
6. Subject to Charity Committee approval, annually transfer £0.050m from the trust's restricted to the unrestricted funds to meet charitable objectives.
7. In the event of annual allocation not being disbursed in the year, the balance shall be netted off against the following year's allocation to be transferred from the Trust's restricted funds.
8. Capital donations (dormant, wound up funds), subject to Charity Commission approval, Committee to have greater flexibility in determining how funds are appropriated into which funds (unrestricted / restricted) on a case by case basis, so that a larger proportion, as determined by Committee, can be used for grant awards from its unrestricted balances. Subject to Charity Commission approval.
9. Any fund raising or donations to be allocated directly to the permanent endowment element of the fund. Unless specifically raised to meet revenue funding.
10. As agreed by Trust and Charities Committee on 12 November 2015, apply all charitable donations below £5,000 to BMC's unrestricted fund to be used to meet the Trusts objectives.
11. Committee Approval to be sought for funds to be transferred between the Trusts permanent endowment and unrestricted funds.

Funding Application.

1. Grant awards for specific projects or from individuals will be considered.
2. In the first instance, applications to be submitted to the trusts secretary.
3. City Council officers will be available to support Trustees in vetting applications before a grants panel agrees a list to go forward to Trust and Charities Committee for approval.

Criteria of funding:

1. Grants to be awarded to recipients or beneficiaries who reside within the boundary of the City Council.
2. Grants awarded to be defrayed in the financial year or within 6 months of approval, unless agreed otherwise.
3. Evidence of tangible "public benefit" to be demonstrated in the application Form.
4. Spend is for the benefit of the citizens of Birmingham.
5. Documentary evidence of spend should be provided.
6. A narrative report to be submitted once the grant provided has been defrayed, confirming the use of funds and public benefit.
7. Funding letter to be forwarded to successful applicants
8. Applicants to sign funding agreement and Condition of Grant Aid prior to funds being released.

Management Costs

Staffing costs to run the Trust are to be met in part (proportion to be decided) from the funds unrestricted element.

Review

1. Report to Trusts and Charities Committee on first year of the fund is to be submitted by 30 September 2012.
2. 18 months after the inception of the fund a review should be undertaken to establish if the Trust is operating effectively and report to the Trusts and Charities Committee by 31 March 2013.

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:	Strategic Director – Finance and Legal Services	
Date of Decision:	20 July 2016	
SUBJECT:	REVENUE OUTTURN 2015/16	
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 sets out the income and expenditure position for Trusts and Charities as at the 31 March 2016.

2. Decision(s) recommended:
2.1 To note the Trusts and Charities end of year balances for the financial year ending 31 March 2016.

Lead Contact Officer(s):	Mark Szurminski
Telephone No:	0121 675 0482
E-mail address:	Mark_szurminski@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 2015/16. The information provided in Appendix 2 identifies income and expenditure for the period ending 31st March 2016. May I take the opportunity of informing Members that the figures form part of the City Council's Annual Statement of Accounts process, which are currently in the process of being audited.

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>
Strategic Director - Finance and Legal Services	

Chairman

List of Background Documents used to compile this Report:

1. Information provided by Directorates'.

List of Appendices accompanying this Report :

1. Detailed Budget Changes and Forecasts
2. Outturn Position 2015-16 Trust Funds.

1. Income & Expenditure Report Quarter 2015/16

- 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. In year Revenue Budget Monitoring and Forecast Outturn 2015/16

- 2.1. The opening balance as at the 1 April 2015 was £27.777m. Income for the year was £0.768m, expenditure £0.587 and losses on investments amounted to £0.521m. At the end of the financial year (up to 31 March 2016) the closing balance stands at £27.440m.
- 2.2. An analysis of income and expenditure for each Trust Fund is shown at Appendix 2.

2015/16 Trust Funds Balances - Final Position

Scheme	Directorate	(A)	(B)	(C)	(D)	(E)	(F) (G) (H) (I)				(J) (K) (L) (M)			
		Opening Balance 1.4.15	Income	Expend	Investments Gains (+) Losses (-)	Closing Balance 31.3.16	Unrestricted Funds Analysis				Restricted Funds Analysis			
							Cash	Investments	Land & Buildings	Total	Cash	Investments	Land & Buildings	Total
							£	£	£	£	£	£	£	£
<u>Sole Corporate Trustee</u>														
Harriet Louisa Loxton Trust	People	1,714,616	28,238	35,100	(70,626)	1,637,128	177,706	29,595	0	207,301		1,429,827		1,429,827
Cropwood	People	14,735,701	7,297	288	(10,728)	14,731,982	66,710	0	14,450,000	14,516,710	0	215,272	0	215,272
LA Jones	Place	70,695	2,491	2,092	0	71,094	0	37,582	33,511	71,093	0	0	0	0
Charles Baker Trust	Place	249,074	8,693	2,103	(386)	255,278	0	191,533	0	191,533	0	7,744	56,000	63,744
Elford	Place	3,238,707	82,214	34,780	(41,507)	3,244,634	0	68,256	0	68,256	0	826,378	2,350,000	3,176,378
Highbury Trust	Economy	1,957,950	142,638	76,688	0	2,023,900	0	0	0	0	65,950	152,950	1,805,000	2,023,900
Birmingham Municipal Charity	Economy	374,055	9,612	1,000	(17,201)	365,466	20,274	0	0	20,274	0	345,192	0	345,192
Centre for the Child	Economy	41,262	163	1,157	0	40,268	4,011	36,257	0	40,268	0	0	0	0
Sub-Total Sole Corporate Trustee		22,382,059	281,346	153,208	(140,448)	22,369,749	268,701	363,223	14,483,511	15,115,435	65,950	2,977,363	4,211,000	7,254,313
<u>Custodian Trustee</u>														
Clara Martineau	People	3,743,558	205,040	124,921	(336,557)	3,487,120	0	263,173	0	263,173	0	3,223,947	0	3,223,947
Bodenham	People	619,883	19,335	20,931	(38,323)	579,964	13,737	80,766	0	94,503	0	485,461	0	485,461
CB & AB Holinsworth Fund of Help	People	191,998	5,635	2,944	(965)	193,724	24,861	0	0	24,861	0	168,863	0	168,863
Jane Kate Gilbert	People	40,195	476	210	(395)	40,066	4,037	0	0	4,037	0	36,030	0	36,030
Alderson	Place	344,589	135,537	94,161	0	385,965	0	132,418	245,737	378,155	0	0	7,810	7,810
Moseley Road Friends Institute	Place	241,800	75,960	81,760		236,000	0	0	0	0	(5,800)	0	241,800	236,000
Lord Mayor of Birmingham's Charity	Economy	173,498	42,111	116,591	(3,043)	95,975	65,317	0	0	65,317	0	30,658	0	30,658
Sir Whitworth Wallis	Economy	37,282	1,640	1,515	580	37,987	1,845	0	0	1,845	0	36,142	0	36,142
John Billingsley the Elder	Economy	2,105	152	142	0	2,115	0	2,115	0	2,115	0	0	0	0
Sub-Total Custodian Trustee		5,394,908	485,886	443,175	(378,703)	5,058,916	109,797	478,472	245,737	834,006	(5,800)	3,981,101	249,610	4,224,911
Total		27,776,966	767,232	596,383	(519,151)	27,428,764	378,498	841,695	14,729,248	15,949,441	60,150.00	6,958,464	4,460,610	11,479,224

Report to:	Trust and Charities Committee	<i>Exempt information paragraph number – if private report:</i>
Report of:	Strategic Director – Finance and Legal Services	
Date of Decision:	20 July 2016	
SUBJECT:	ANNUAL REPORT AND ACCOUNTS – CROPWOOD TRUST FOR THE PERIOD 2015/16	
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 To present for approval the 2015/16 Annual Report and Accounts for Cropwood Trust.

2. Decision(s) recommended:

- 2.1 The Committee acting on behalf of the Council as Trustee is recommended to approve the Annual Report and Accounts as set out within Appendix 1 of this Report.
- 2.2 The Committee acting on behalf of the Sole Corporate Trustee authorises officers in Corporate Finance to submit all appropriate and necessary documentation to the Charity Commission in respect of recommendation 2.1.

Contact Officer:	Mark Szurminski
Telephone No:	0121 675 0482
E-mail address:	Mark_szurminski@birmingham.gov.uk

3. Consultation

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

The Chairman of the Committee has been consulted in the preparation of this report as have officers in Legal Services.

3.2 External

4. Compliance Issues:**4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

N/A

**4.2 Financial Implications
(Will decisions be carried out within existing finance and Resources?)**

N/A

4.3 Legal Implications

The City Council acts as Sole Trustee for a number of charitable and non-charitable trusts and has delegated the management of these Trusts to the Trusts and Charities Committee, which includes approving the Accounts for any relevant charitable trust. Charitable trusts are regulated by the Charity Commission. 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

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 Public Sector Equality Duty (see separate guidance note)

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 The Fund was established under a Charity Commission scheme dated 12 November 1997.

5.2 The charitable objectives of the trust are:

- Provision and support of educational facilities.
- The provision and support facilities for the recreation and other leisure time occupation, with the object of improving the conditions of life for the said inhabitants.
- The relief of the aged, impotent and poor.
- The relief of sickness.

5.3 As referred to above, it is a requirement for all trusts that are registered with the Charity Commission to compile and submit annual audited accounts to the Commission ten months after the end of the financial year. the Charity Commission's threshold for requiring trust fund accounts to be independently examined and forwarded to the Charity Commission is £25,000.

5.4 The attached accounts as set out within Appendix 1, identify that the trusts income for the year was £7,296 and therefore no independent examination is required.

6. Evaluation of alternative option(s):

6.1 It is a Charity Commission requirement to compile annual accounts.

7. Reasons for Decision(s):

7.1 For Committee to approve the accounts.

Signatures	<u>Date</u>
Strategic Director – Finance and Legal Services
Chairman

List of Background Documents used to compile this Report:

N/A

List of Appendices accompanying this Report (if any):

1. 2015-16 Accounts

The Cropwood Estate
Registered Charity Number 1085296
Report and Financial Statements
31 March 2016

The Cropwood Estate
Report and Financial Statements
the year ended 31 March 2016

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The Cropwood Estate
Report of the Trustees for the Year Ended 31 March 2016

The Trustees present their report along with the financial statements of the charity for the year ended **31 March 2016**. **The financial statements have been prepared in accordance with the accounting policies** set out in the notes thereto and comply with the charity's trust deed and applicable law.

Reference and administrative information

Name of charity:	The Cropwood Estate
Charity number:	1085296
Address for correspondence / donations is:	Birmingham City Council c/o Trusts & Charities Committee The Council House Birmingham B1 1BB Cheques should be made payable to "Birmingham City Council".
Trustee:	Birmingham City Council as Sole Corporate Trustee
Bank:	Barclays Bank plc 15 Colmore Row Birmingham B3 2BH
Independent Examiner:	For financial years ending on or after 1 April 2016, no independent examination was required as gross income was below Charity Commission threshold of £25k.

The Cropwood Estate

Report of the Trustees for the Year Ended 31 March 2016

Structure, Governance and Management

Governing document

The Trust is established under a charity commission scheme dated 12 November 1997 and it is a registered charity, number 1085296.

Recruitment and appointment of trustees

The Trustees who served during the year, and since the year end, are set out in the reference and administrative details on page three. The minimum number of Trustees is five and the maximum number is ten. The trustees shall be:

Birmingham City Council - Trusts & Charities Committee.

Nominated and Co-opted Trustees hold office for two years but on retirement are eligible for reappointment.

Trustees Meetings

Three Trustees are necessary to form a quorum. Issues are decided by a simple majority of those present and voting, provided at least two Trustees vote in favour of the resolution.

Objectives and Activities

The object of the Charity shall be the furtherance of any charitable purpose for the benefit of the inhabitants of the City of Birmingham including all or any of the following purposes:-

- a) the provision and support of educational facilities;
- b) the provision and support of facilities for recreation and other leisure time occupation, with the object of improving the conditions of life for the said inhabitants;
- c) the relief of the aged, impotent and poor; and
- d) the relief of sickness.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charitable company and in planning any future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives set.

Achievements and Performance

Total incoming resources for the year were £7,296 (2014:£10,739). This represents £6,271 interest earned through the City Councils CCLA (Churches, Charities and Local Authorities) Investment Management Limited investment. Leased income earned in-year £1,025 from the 2 properties managed by Birmingham Property Services (BPS).

The above represents the only financial movement on the account during the 2015/16 financial year.

Financial Review

Reserves and Grant Making Policy

As indicated above in 'Achievements and Performance' there has been no activity in respect of the trust during 2015/2016. The Cropwood Advisory Liason Group may take a report to the Trusts & Charities Committee to seek further funding for routine maintenance which is required in respect of the estate.

The Cropwood Estate

Report of the Trustees for the Year Ended 31 March 2016

Risk Management

The Trustees keep under review the major strategic and operational risks which the Charity faces and are satisfied that systems have been established in order to minimise the possible effects of such risks on the Charity.

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. (United Kingdom Generally Accepted Accounting Practice)

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf by:

Trustee

Date

The Cropwood Estate

Statement of Financial Activities for for the year ended 31 March 2016

		Unrestricted Fund	Permanent Fund	Total 2016	Total 2015
Notes		£	£	£	£
Incoming Resources					
	2	6,271		6,271	1,218
	3	1,025		1,025	9,522
Total Incoming Resources		7,296	-	7,296	10,739
Resources Expended					
	5			-	0
		288	0	288	0
		-	-	-	0
Total Resources Expended		288	0	288	0
Net Incoming Resources		7,009	-	7,009	10,739
Revaluation of Assets	4		(10,728)	(10,728)	0
Net Movement Funds		7,009	(10,728)	(3,719)	10,739
Reconciliation of Movement in Funds					
		14,509,701	226,000	14,735,701	14,724,962
Balance at 31 March 2016		14,516,710	215,272	14,731,982	14,735,701

Balance Sheet as at 31 March 2016

	Notes	Unrestricted Fund	Permanent Fund	Total 2016	Total 2015
		£	£	£	£
Fixed Assets					
	6	14,450,000		14,450,000	14,450,000
	7	65,973	215,272	281,245	285,701
Total Fixed Assets		14,515,973	215,272	14,731,245	14,735,701
CURRENT ASSETS					
		1,025	0	1,025	0
LIABILITIES					
		288	0	288	0
Total Net Current Assets	8	737	0	737	0
TOTAL ASSETS		14,516,710	215,272	14,731,982	14,735,701
Funds balance 31st March 2016		14,516,710	215,272	14,731,982	14,735,701

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Trustee

Date

The Cropwood Estate

Notes Forming Part of the Financial Statements for the Year Ended 31 March 2016

Note 1 Principal Accounting Policies

a) Accounting Convention

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005). The trustees have made use of the concession available for smaller charities within the SORP and have chosen to use resource classifications appropriate to the charity's circumstances and activities.

b) Investment Income

Investment income is accounted for on an accruals basis. The investments are shown at market value. Realised and unrealised gains and losses are shown in the changes in resources available.

c) Resources Expended

Expenditure is included on an accruals basis.

d) Fund Accounting

Details and the nature of each fund is set below.

Unrestricted Funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Endowment Funds represents those assets which must be held permanently by the charity.

Note 2 Bank and Investment Income	2016	2015
Birmingham City Council - short term deposits	0	1,218
Dividends from COIF Investment Fund (Income Units)	5,995	0
CCLA Deposit fund interest @ 0.45%	277	0
	6,271	1,218

Note 3 Leased Land Income	2016	2015
Leased Land Income	1,025	9,522

Leased Income is collected on behalf of the Trust by Birmingham Property Services (BPS) and is paid annually for Property Ref 1314 - Lindhurst Road £150 and ref 2237 - St Catherines Road £875.

2015 values was income owed to the Trust £8,367 from prior years 2011/14 identified in 2014/15 and Paid 2014/15.

Note 4 Unrealised Investment gains and losses CCLA Investments	2016	2015
opening April 2015	226,000	
Closing March 2016	215,272	
COIF INVESTMENT FUND (Income Units)	(10,728)	N/A
NB Transfer to CCLA prior to start of 2015/16 from short term investments deposit with BCC		

Note 5 Expenditure	2016	2015
BCC administration costs (June 14 - March 15)	288	N/A
Costs of essential maintenance work	0	0
	288	0

Note 6 Fixed Assets - Land and Buildings	2016	2015
Land and Buildings	14,450,000	14,450,000

Land and buildings are included and are on the following valuation basis:-

1. The valuation assumes no tenancies exist on the estate.
2. In the absence of a detailed site inspection, the absence of any adverse site conditions has been assumed
3. Full compliance with all relevant planning consent is assumed
4. Suitable road access has been assumed.
5. Good Freehold title and the absence of any onerous easements, restrictions or covenants is assumed.
6. Land is not revalued on a yearly basis.

The Cropwood Estate

Notes Forming Part of the Financial Statements for the Year Ended 31 March 2016

Note 7 Investments

Analysis of movements in Investments

	Unrestricted Fund	Permanent fund	Total
Market value as at 31 March 2015	59,702	226,000	285,702
Movement in the year	6,271	(10,728)	(4,457)
Market value as at 31 March 2016	65,973	215,272	281,245

Investments are included at closing market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Note 7 Trustees' Remuneration

None of the trustees have received any remuneration from the Trust. (2016 - £nil).

Note 8 Total Net Current Assets

The residual monies left following collection of income for rental properties (Current Asset) less the monies owed by the Trust for Administration (Liability) was transferred from BCC Barclays to CCLA on the 31/03/2016. However, the monies were not invested into CCLA until 01/04/2016.

cropwood estate charity fund clf investments

<u>date</u>	<u>event</u>	<u>interest retained (£ 's)</u>	<u>amount (£'s)</u>	<u>principal invested(£)</u>	<u>principal repaid(£)</u>	<u>interest reinvested(£)</u>	<u>interest accrued(£)</u>	<u>interest paid(£)</u>	<u>balance in clf(£)</u>
2003/04									
01-Oct-03	initial investment		226,000.00						226,000.00
2004/05									
	balance carried forward								226,000.00
01-Apr-04	2nd 1/2 03/04 interest reinvested		3,996.94			3,996.94			229,996.94
01-Oct-04	1st 1/2 04/05 interest reinvested		4,818.52			4,818.52			234,815.46
2005/06									
	balance carried forward								234,815.46
01-Apr-05	2nd 1/2 04/05 interest reinvested		5,342.05			5,342.05			240,157.51
01-Oct-05	1st 1/2 05/06 interest reinvested		5,404.78			5,404.78			245,562.29
2006/07									
	balance carried forward								245,562.29
01-Apr-06	2nd 1/2 05/06 interest reinvested		5,280.43			5,280.43			250,842.72
01-Oct-06	1st 1/2 06/07 interest reinvested		5,529.94			5,529.94			256,372.66
2007/08									
	balance carried forward								256,372.66
01-Apr-07	2nd 1/2 06/07 interest reinvested		6,278.97			6,278.97			262,651.63
01-Oct-07	1st 1/2 07/08 interest reinvested		7,238.47			7,238.47			269,890.10
2008/09									
	balance carried forward								269,890.10
01-Apr-08	2nd 1/2 07/08 interest reinvested		7,412.57			7,412.57			277,302.67
01-Oct-08	1st 1/2 08/09 interest reinvested		6,809.87			6,809.87			284,112.54
2009/10									
	balance carried forward								284,112.54
01-Apr-09	2nd 1/2 08/09 interest reinvested		3,275.14			3,275.14			287,387.68
01-Oct-09	1st 1/2 09/10 interest reinvested		684.42			684.42			288,072.10
2010/11									
	balance carried forward								288,072.10
01-Apr-10	2nd 1/2 09/10 interest reinvested		682.30			682.30			288,754.40
18-Aug-10	part repayment				19,000.00				269,754.40
01-Oct-10	1st 1/2 10/11 interest reinvested		677.28			677.28			270,431.68
2011/12									
	balance carried forward								270,431.68
01-Apr-11	2nd 1/2 10/11 interest reinvested		640.52			640.52			271,072.20
01-Oct-11	1st 1/2 11/12 interest reinvested		645.56			645.56			271,717.76
2012/3									
	balance carried forward								271,717.76
01-Apr-12	2nd 1/2 11/12 interest reinvested		647.10			647.10			272,364.86
01-Oct-12	1st 1/2 12/13 interest reinvested		648.64			648.64			273,013.50
2013/4									
	balance carried forward								273,013.50
01-Apr-13	2nd 1/2 12/13 interest reinvested		646.63			646.63			273,660.13
01-Oct-13	1st 1/2 13/14 interest reinvested		651.72			651.72			274,311.85
2014/5									
	balance carried forward								274,311.85
01-Apr-14	2nd 1/2 13/13 interest reinvested		649.71			649.71			274,961.56
01-Oct-14	1st 1/2 14/15 interest reinvested		654.82			654.82			275,616.38
30-Mar-15	interest reinvested					563.12			276,179.50
30-Mar-15	investment in CCLA deposit fund				50,179.50				226,000.00
30-Mar-15	investment in CCLA investment fund				226,000.00				0.00

CLIENTS NAME	THE CROPWOOD ESTATE
ACCOUNT NUMBER	108860001C
BCC Finance Contact	Justin Pinkney
Earnings/Interest	Re-invest in Deposit fund
Voyager Code	-

Transaction	Balance	Interest to reinvest	Withdrawal	Deposit (from COIF Investment)	Deposit (from BCC)
Transfer Date	30-Mar-15				
Investment Date	31-Mar-15				
Original Amount of Transfer	50,179.50				
BALANCE AS AT 31/03/2015	50,179.50				
29/04/2015 (new fund)					9,521.74
BALANCE AS AT 30/04/2015	59,701.24				
30/06/2015 (Q1 Interest @0.45%)		63.58			
BALANCE AS AT 30/06/2015	59,764.82				
28/08/2015 (Dividends from COIF Investment Fund)				2,440.09	
30/09/2015 (Q2 Interest @0.45%)		68.78			
BALANCE AS AT 30/09/2015	62,273.69				
30/11/2015 (Dividends from COIF Investment Fund)				2,170.35	
31/12/2015 (Q3 Interest @0.45%)		71.46			
BALANCE AS AT 31/12/2015	64,515.50				
29/02/2016 (Dividends from COIF Investment Fund)				1,384.20	
31/03/2016 (Q4 Interest @0.45%)		72.91			
BALANCE AS AT 31/03/2016	65,972.61				

CLIENTS NAME	THE CROPWOOD ESTATE
ACCOUNT NUMBER	108860001C
BCC Finance Contact	Justin Pinkney
Earnings/Interest	Re-invest in Deposit fund
Voyager Code	-

Transaction	Balance	Interest to reinvest	Withdrawal	Deposit (from COIF Investment)	Deposit (from BCC)
Transfer Date	30-Mar-15				
Investment Date	31-Mar-15				
Original Amount of Transfer	50,179.50				
BALANCE AS AT 31/03/2015	50,179.50				
29/04/2015 (new fund)					9,521.74
BALANCE AS AT 30/04/2015	59,701.24				
30/06/2015 (Q1 Interest @0.45%)		63.58			
BALANCE AS AT 30/06/2015	59,764.82				
28/08/2015 (Dividends from COIF Investment Fund)				2,440.09	
30/09/2015 (Q2 Interest @0.45%)		68.78			
BALANCE AS AT 30/09/2015	62,273.69				
30/11/2015 (Dividends from COIF Investment Fund)				2,170.35	
31/12/2015 (Q3 Interest @0.45%)		71.46			
BALANCE AS AT 31/12/2015	64,515.50	203.82		4,610.44	9,521.74

CLIENTS NAME	THE CROPWOOD ESTATE
ACCOUNT NUMBER	108860001T
CCLA	COIF INVESTMENT FUND (Income Units)
BCC Finance Contact	Justin Pinkney
Dividends/Earnings	Re-invest in Deposit fund
Voyager Code	-

Transaction	Units and Valuation
Transfer Date	30-Mar-15
Investment Date (Thur Only)	02-Apr-15
Original Amount of Transfer	226,000.00
Unit Price Purchased	12.74
30/04/2015 No. of Units	17,746.09
30/04/2015 Unit Price £	12.76
30/04/2015 Valuation £	226,479.15
30/06/2015 No. of Units	17,746.09
30/06/2015 Unit Price £	12.39
30/06/2015 Valuation £	219,787.10
28/08/2015 (dividends @13.75p per unit)	2,440.09
28/08/2015 (dividends to Deposit Fund or BCC)	-2,440.09
30/09/2015 No. of Units	17,746.09
30/09/2015 Unit Price £	11.83
30/09/2015 Valuation £	209,987.71
30/11/2015 (dividends @12.23p per unit) for the period ended 30/09/2015	2,170.35
30/11/2015 (dividends to Deposit Fund or BCC)	-2,170.35
31/12/2015 No. of Units	17,746.09
31/12/2015 Unit Price £	12.33
31/12/2015 Valuation £	218,892.70
29/02/2016 (dividends @xxxxp per unit)	1,384.20
29/02/2016 (dividends to Deposit Fund or BCC)	-1,384.20
31/03/2016 No. of Units	17,746.09
31/03/2016 Unit Price	12.13
31/03/2016 Valuation £	215,272.49

CLIENTS NAME	THE CROPWOOD ESTATE
ACCOUNT NUMBER	108860001T
CCLA	COIF INVESTMENT FUND (Income Units)
BCC Finance Contact	Justin Pinkney
Dividends/Earnings	Re-invest in Deposit fund
Voyager Code	-

Transaction	Units and Valuation
Transfer Date	30-Mar-15
Investment Date (Thur Only)	02-Apr-15
Original Amount of Transfer	226,000.00
Unit Price Purchased	12.74
30/04/2015 No. of Units	17,746.09
30/04/2015 Unit Price £	12.76
30/04/2015 Valuation £	226,479.15
30/06/2015 No. of Units	17,746.09
30/06/2015 Unit Price £	12.39
30/06/2015 Valuation £	219,787.10
28/08/2015 (dividends @13.75p per unit)	2,440.09
28/08/2015 (dividends to Deposit Fund or BCC)	-2,440.09
30/09/2015 No. of Units	17,746.09
30/09/2015 Unit Price £	11.83
30/09/2015 Valuation £	209,987.71
30/11/2015 (dividends @12.23p per unit) for the period ended 30/09/2015	2,170.35
30/11/2015 (dividends to Deposit Fund or BCC)	-2,170.35
31/12/2015 No. of Units	17,746.09
31/12/2015 Unit Price £	12.33
31/12/2015 Valuation £	218,892.70

-7,107.30

Prior year adjustments only

Company	Posting Date	Funds Cen	Funded Pr	Commitme	Fund	Period	Payment b	Document Header Text	Text	Reference	Document	Ref Docum	Assignmen	Name 1	Customer	Vendor	Predecess	WBS Elem
4000	17/04/2015	RE6B5	REVENUE V800	A00	1		-8,366.74	PCA058 Govenors Forum a	Income received in error payment in new year to i	J PINKNEY	A3	30007362	20150331					
4000	28/04/2015	RE6B5	REVENUE V800	A00	1		-280.00	CROPWOOD INCOME	1314 Lindhurst Rd Rental 2014/15	SM 5-9306	A1	10189301	20150428					
4000	28/04/2015	RE6B5	REVENUE V800	A00	1		-875.00	CROPWOOD INCOME	2237 St Catherines Rd Rental 2014/15	SM 5-9306	A1	10189301	20150428					
4000	29/04/2015	RE6B5	REVENUE V800	A00	1		9,521.74		COIF CHARITIES DEPOSIT FUND	0117147145	BC	117188902	20150429					
4000	23/02/2016	RE6B5	REVENUE V800	A00	11		-50.00	CROPWOOD 15-16	10030, CROPWOOD SCHOOL SCOUT HUT	SM 5-9306	A1	10201217	20160223					
4000	23/02/2016	RE6B5	REVENUE V800	A00	11		-50.00	CROPWOOD 15-16	10030, CROPWOOD SCHOOL SCOUT HUT	SM 5-9306	A1	10201217	20160223					
4000	23/02/2016	RE6B5	REVENUE V800	A00	11		-50.00	CROPWOOD 15-16	10030, CROPWOOD SCHOOL SCOUT HUT	SM 5-9306	A1	10201217	20160223					
4000	23/02/2016	RE6B5	REVENUE V800	A00	11		-875.00	CROPWOOD 15-16	2237; ST CATHERINES ROAD	SM 5-9306	A1	10201217	20160223					
4000	24/02/2016	RE6B5	REVENUE V800	A00	11		1,025.00	CLEARANCE OF CASH NC	To clear cropwood to non BCC-coded to BCC in error	SUE 32526	A1	10201250	20160224					
			V800				0.00											
							0.00											
Company	Posting Date	Funds Cen	Funded Pr	Commitme	Fund	Period	Payment b	Document Header Text	Text	Reference	Document	Ref Docum	Assignmen	Name 1	Customer	Vendor	Predecess	WBS Elem
4000	22/02/2016	RE6B6	REVENUE RA10	A00	11		157.15	TREASURY MGT TIME	SA TM002_Treasury Management cost(Jun2015-Mar2016)	ANNA58455	A1	10201113	20160222					
4000	29/02/2016	RE6B6	REVENUE RA10	A00	11		130.96	TRUST ADMIN RECHARGE	Trust admin/finance recharge June 15 to March 16 C	JP 3-8744	A1	10201447	20160229					
			RA10				288.11											
4000	24/02/2016	RE6B6	REVENUE V800	A00	11		-1,025.00	CLEARANCE OF CASH NC	To clear cropwood to non BCC-coded to BCC in error	SUE 32526	A1	10201250	20160224					
			V800				-1,025.00											
4000	24/02/2016	RE6B6	REVENUE Y2J0	A00	11		1,025.00	CLEARANCE OF CASH NC	To clear cropwood to non BCC-coded to BCC in error	SUE 32526	A1	10201250	20160224					
			Y2J0				1,025.00											
4000	24/02/2016	RE6B6	REVENUE Y2J1	A00	11		-157.15	CLEARANCE OF RECHGS	Payment made on behald of Non BCC	SUE 32526	A1	10201326	20160224					
4000	29/02/2016	RE6B6	REVENUE Y2J1	A00	11		-130.96	TO CORRECT NON BCC	Cropwood to clear non BCC direct charged items	SUE 32526	A1	10201472	20160229					
			Y2J1				-288.11											
							0.00											

CR0752 Trial Balance Report by Profit Centre

G/L Code	Profit Centre	Actuals	Actuals
		4000PCMASTER	4000NONBCCACT
		BCC Profit Centre Hi	Non BCC Activities
		£	£
4000MASTERBS	Master Balance Sheet	0.00	0.00
4000ALL_BAL_BS	BCC Balance Sheet	0.00	0.00
4000NET_ASSETS	Net Assets	14,736,438.13	14,736,438.13
4000ASS_CLIAB	Assets Current Liabi	14,736,438.13	14,736,438.13
4000ASS_LTERM	Assets Long Term	14,450,000.00	14,450,000.00
4000CURR_ASST	Current Assets	286,438.13	286,438.13
4000INV_STERM	Short Term Investmen	286,438.13	286,438.13
4000STINVNONBC	Short Term Investmen	286,438.13	286,438.13
5C11	Non-BCC Inv Ext BCC	286,438.13	286,438.13
4000NET_EQUITY	Net Equity	(14,736,438.13)	(14,736,438.13)
4000RES_BALS	Reserve Balances	(14,736,438.13)	(14,736,438.13)
4000RES_BAL1	Usable Reserves	(14,736,438.13)	(14,736,438.13)
4000ER_BS	Earmarked Reserves	(14,736,438.13)	(14,736,438.13)
6G00	ER EarmarkedReserves	(14,736,438.13)	(14,736,438.13)
4000RECON	Reconciliation Accou	0.00	0.00
7M80	Zero-Balancing Acct	0.00	0.00
4000Z000	Income & Expenditure	0.00	0.00
4000ZNR1	Revenue Net	0.00	0.00
4000Z001	Revenue Expenditure	288.11	288.11
4000ZA08	Recharge Expenditure	288.11	288.11
RA10	DSC - Finance	288.11	288.11
4000Z002	Revenue Income	(1,025.00)	(1,025.00)
4000ZB05	Rents etc	(1,025.00)	(1,025.00)
V800	Inc Rent	(1,025.00)	(1,025.00)
4000Z003	Below the Line Adjus	736.89	736.89
4000BLA_APPNS	Appropriations to an	736.89	736.89
Y2J0	App To E/mkd Res Oth	1,025.00	1,025.00
Y2J1	App Fr E/mkd Res Oth	(288.11)	(288.11)

BCC Trial Balance Report (4000 & 5000)

Subjective analysis with Hierarchy

Current Periods Selected : 16

Current Period to date : 1 to 16 2015

Name

Report

Time

.	Bal B/f	YTD
***** Control	0.00	
**** Assets Long Term	0.00	14,
**** Current Assets	0.00	
***** Assets Current Liabilities	0.00	14,

EDUBSEHY

rt BCC3

12:20:50 Date 24.04.2015

Actual	Cumulative Balance	Period Actual
0.00	0.00	0.00
,450,000.00	14,450,000.00	0.00
285,701.24	285,701.24	0.00
,735,701.24	14,735,701.24	0.00

Report to:	Trusts and Charities Committee	<i>Exempt information paragraph number – if private report:</i>
Report of:	Strategic Director – Finance and Legal Services	
Date of Decision:	20 July 2016	
SUBJECT:	ANNUAL REPORT AND ACCOUNTS – CENTRE FOR THE CHILD TRUST FOR THE PERIOD 2015/16	
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 To present for approval the 2015/16 Annual Report and Accounts for Centre for the Child Trust for the period ending 31 March 2016

2. Decision(s) recommended:

- 2.1 The Committee acting on behalf of the Council as Trustee is recommended to approve the Annual Report and Accounts. as set out within Appendix 1.
- 2.2 The Committee acting on behalf of the Sole Corporate Trustee authorises officers in Corporate Finance to submit all appropriate and necessary documentation to the Charity Commission in respect of recommendation 2.1.

Contact Officer:	Mark Szurminski
Telephone No:	0121 675 0482
E-mail address:	Mark_szurminski@birmingham.gov.uk

3. Consultation

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

The Chairman of the Committee has been consulted in the preparation of this report.

3.2 External

4. Compliance Issues:**4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

N/A

**4.2 Financial Implications
(Will decisions be carried out within existing finance and Resources?)**

n/a

4.3 Legal Implications

The City Council acts as Sole Trustee for a number of charitable and non-charitable trusts and has delegated the management of these Trusts to the Trusts and Charities Committee, which includes approving the Accounts for any relevant charitable trust. Charitable trusts are regulated by the Charity Commission. 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

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 Public Sector Equality Duty (see separate guidance note)

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 The Trust is regulated by a scheme dated 28 June 1994. The Centre for the Child Trust fund is managed by Birmingham Library Services, and relates to a fund established in June 1994, when the Centre for the Child was built to replace the Children's Library which was destroyed by fire in April 1991.

5.2 The charitable objectives of the trust to promote the advancement of the education of the enhancement of the education of parents and carers in their care. To establish equipment and maintain the Centre for the Child in Birmingham Central Library. To provide and maintain library and educational facilities for children, or which assist parents and carers in bringing up of their children. To provide library facilities and equipment and provide special facilities for children with disabilities and to assist their parents and carers in the care of such children.

As referred to above, it is a requirement for all trusts that are registered with the Charity Commission to compile and submit annual audited accounts to the Commission ten months after the end of the financial year. The Charity Commission's threshold for requiring trust fund accounts to be independently examined and forwarded to the Charity Commission is £25,000

5.3 The attached accounts identify that the trusts gross annual income for the year was £163 and therefore no independent examination is required.

6. Evaluation of alternative option(s):

6.1 It is a Charity Commission requirement to compile annual accounts.

7. Reasons for Decision(s):

7.1 For Committee to approve the accounts.

Signatures

Date

Strategic Director of Finance
and Legal Services

.....

Chairman

.....

List of Background Documents used to compile this Report:

N/A

List of Appendices accompanying this Report (if any):
1. 2015-16 Accounts.

Centre for the Child Trust Fund
Registered Charity Number 1039237
Report and Financial Statements
31 March 2016

Centre for the Child Trust Fund
Report of the Trustees for the Year Ended 31 March 2016

Contents

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Trustees' Report	3
Statement of Financial Activities and Balance Sheet	6
Notes to the Financial Statements	8

Centre for the Child Trust Fund

Report of the Trustees for the Year Ended 31 March 2016

The Trustees present their report along with the financial statements of the trust for the year ended 31 March 2016. The financial statements have been prepared in accordance with the accounting policies set out in the notes thereto and comply with the trust's deed and applicable law.

Reference and administrative information

Name of Charity	Centre for the Child Trust Fund
Registered charity number	1039237
Address for correspondence:	Mrs Linda Monk Birmingham City Council Library of Birmingham Centenary Square Broad Street Birmingham B1 2ND
The Trustees who served during the year were:	Birmingham City Council is the Sole Trustee
Bank:	Barclays Bank plc 15 Colmore Row Birmingham B3 2BH
Independent Examiner:	N/A

Centre for the Child Trust Fund

Report of the Trustees for the Year Ended 31 March 2016

Structure, Governance and Management

The trust is regulated by a scheme dated 28 June 1994. The Centre for the Child Trust fund is managed by Birmingham Library Services, and relates to a fund established in June 1994, when the Centre for the Child was built to replace the Children's Library which was destroyed by fire in April 1991.

The trust was registered as a charity on 6 July 1994. The charity number is 1039237

Objectives and Activities

The objects of the Charity are to promote:-

- a) The advancement of the education of children; and
- b) The advancement of the education of parents and carers in the care, education and bringing up of children

Further powers are

- a) To establish, equip and maintain the Centre for the Child in Birmingham Central Library;
- b) To provide and maintain library and educational facilities for children, or which assist parents and carers in the bringing up of their children;
- c) To provide library facilities and equipment;
- d) To provide special facilities for children with disabilities and to assist their parents and carers in the care of such children

Achievements and Performance

Total incoming resources for the year were £163 (2015: £202), investment income £163 (2015: £202) events income nil (2014: nil).

Expenditure for the year was £1,157 (2015: £2,467)

Financial Review

With income of £163 for the year, an independent examination of accounts is not required for the year ending 31 March 2015.

Reserves and Grant Making Policy

It is the policy of the charity to retain unrestricted funds, which are the free reserves of the charity, accumulated through donations, sales at events and investment income. This provides funds to promote the objects of the charity.

Investment Policy

The investment objective is therefore primarily to provide security of the funds and to produce income. To achieve this, funds are invested via Birmingham City Council Treasury Management in the COIF Deposit Fund by CCLA. All investments are subject to the Trustee Act 2000.

Risk Management

The Trustees keep under review the major strategic and operational risks which the charity faces and are satisfied that systems have been established in order to minimise the possible effects of such risks on the charity.

Centre for the Child Trust Fund

Report of the Trustees for the Year Ended 31 March 2016 continued

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf by:

Date

Centre for the Child Trust Fund

Statement of Financial Activities for the year ended 31 March 2016

	Notes	Total 2016 £	Total 2015 £
Incoming Resources			
Investment Income	2	163	202
Other Income	3		
Total Income		<u>163</u>	<u>202</u>
Resources Expended			
Supplies & Services	4	<u>1,157</u>	<u>2,467</u>
		<u>1,157</u>	<u>2,467</u>
Net Incoming/(Outgoing) Resources		(994)	(2,264)
Net Movement in Funds		<u>(994)</u>	<u>(2,264)</u>
Reconciliation of Movement in Funds			
Balance of Funds brought forward at 1 April		41,262	43,526
Balance of Funds Carried forward at 31st March		<u>40,268</u>	<u>41,262</u>

Centre for the Child Trust Fund

BALANCE SHEET AS AT 31 MARCH 2016

		Total 2015 £	Total 2014 £
Current Assets			
Balances at Bank:-			
Investment Account	5	36,257	36,094
Creditors: Amounts falling due within one year	6	-	-
Net Current Assets		<u>36,257</u>	<u>36,094</u>
Debtors : Amounts falling due within one year	7	4,011	5,168
Total Net Assets		<u>40,268</u>	<u>41,262</u>
Represented by:-			
Funds		<u>40,268</u>	<u>41,262</u>

Approved by the Trustees and signed on their behalf by

_____ Date

Centre for the Child Trust Fund

Notes to the Accounts for the year ended 31 March 2016

Note 1 Principal Accounting Policies

a) Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and within the provisions of the Charities Act 2011

In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005

The trustees have made use of the concession available for smaller charities within the SORP and have chosen to use resource classifications appropriate to the charity's circumstances and activities.

b) Incoming Resources

Income is accounted for on a receipts and payments basis.

c) Resources Expended

Expenditure is accounted for on a receipt and payments basis.

d) Fund Accounting

The Funds of the Trust are available for use in accordance with the trusts objects.

Note 2 Investment Income

Interest from investment was £163 (2015: £202)

Note 3 Other Income

Income through staging events amounted to nil (2014: nil)

Note 4 Supplies & Services Expenditure

Expenditure to stage/support programmes of events, involving artists and performers.

	15/16	14/15
	£	£
Equip & Furniture	-	1,390
Entertainers/Artists	1,157	1,029
Promotions/Marketing	-	-
Other Purchased Services	-	-
Contribution	-	-
Miscellaneous	-	48
	1,157	2,467

Centre for the Child Trust Fund

Notes to the Accounts for the year ended 31 March 2016

Note 5 Investment

Funds are invested in the COIF Deposit Fund by CCLA where they earn a short term rate of interest.

Note 6 Creditors

	2015	2014
	£	£
Birmingham City Council	0	0

Required transfer of fund from loan fund invested in BCC

Note 7 Debtors

	2015	2014
	£	£
Birmingham City Council	4,011	5,168

Note 7 Trustee Remuneration

The Trustees did not receive any remuneration or reimbursement of expenses during the year nil (2015: nil)

Report to:	TRUSTS AND CHARITIES COMMITTEE	
Report of: Date of Decision:	Director of Property 20 July 2016	
SUBJECT:	SURRENDER AND RENEWAL OF LEASE AT 187 HARBORNE LANE (SELLY OAK PARK (REGISTERED CHARITY NO.522877))	
Wards affected:	Selly Oak	

1. Purpose of report:

- 1.1 To consider the surrender and renewal of the lease of 187 Harborne Lane, which is part of Selly Oak Park, held in trust.

2. Decision(s) recommended:

That Committee:

- 2.1 approves the proposal to accept the surrender of the existing lease and grant two new leases on the same land, each for 125 years.
- 2.2 approves the terms of any disposal being negotiated and agreed by the Director of Property acting as agent on behalf of the Trust, including change of use to permit uses as described in C2 and C2A of the Town and Country Planning (Use Classes) including student accommodation.
- 2.3 authorises the recommendations of the Trusts and Charities Committee to be advanced to the next available meeting of the Council as Trustee for approval.
- 2.4 authorises any further approval necessary is sought of the Charity Commission or descendants of the original transferors of the land, or other bodies as appropriate and to agree to make any applications necessary for appropriate powers of disposal.
- 2.5 authorises the City Solicitor to place any formal advertisements required under s123 2(a) of the Local Government Act 1972 for the loss of public open space (if any) or required under any of the various statutes as may relate to the charitable status of the land including any appropriate consultation stages and to appraise the Committee of the results of that consultation.
- 2.6 authorises the City Solicitor to prepare, negotiate, execute, seal and complete all necessary legal documentation to give effect to the above decisions.

Lead Contact Officer(s): Telephone No: E-mail address:	Nigel Oliver - Property Manager, Birmingham Property Services 0121 303 3028 nigel.g.oliver@birmingham.gov.uk
Telephone No: E-mail address:	Helen Juffs – Surveyor, Birmingham Property Services 0121 464 1624 helen.juffs@birmingham.gov.uk

3.	Consultation
3.1	<p>Consultation should include those that have an interest in the decisions recommended.</p> <p><u>Internal</u> Officers in the Parks Service have been consulted and have raised no objections.</p>
3.2	<p><u>External</u> No additional separate consultation is envisaged except where further consultation locally may be required to satisfy the requirements of the Charity Commission and the various Charities Acts.</p>
4.	Compliance Issues:
4.1	<p><u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u> The objects/purposes of the Council's charitable trusts all have a commonality and principally are held for the benefit of the citizens of Birmingham. Actions proposed are required to be in the best interests of the trust and are intended to preserve the trust estate for the future while consistent with the Council's Policies, Plans and Strategies.</p>
4.2	<p><u>Financial Implications</u> (Will decisions be carried out within existing finance and resources?) The property is already leased long term but has been vacant for several years pending a suitable new use. There will be no direct cost in proceeding with the proposed new lease as the tenant will pay all landlords legal and surveyors costs. The substantial increase in rental income will be of general benefit.</p>
4.3	<p><u>Legal Implications</u> Management and governance arrangements for Charitable Trusts are set out in the constitution under which they were established. Charity Trustees in making decisions 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. Trustees have a duty to preserve the assets of the trust. Decisions made by the charity must be expedient in the interests of the charity at all times. The disposal of trust assets is an exceptional event and must be in line with appropriate professional advice. All valuation advice conforms to the requirements in Part 7 Charities Act 2011 for the disposition of trust land. The grant of a long lease is a disposal for these purposes.</p> <p>The City Council is Sole Corporate Trustee of a number of charitable trusts and has delegated day to day management decisions in respect of these trusts to the Trusts and Charities Committee with decisions on other matters being approved at meetings of the Council as Trustee. Proposals for the management of land in trust or of services thereon require robust procedures to safeguard the Trust and the public using the parkland and buildings to comply with charity law. Charitable activity is further regulated by the Charity Commission. Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 allows the City Council powers to amend services and meets the Council's regulations and standing orders.</p>
4.4	<p><u>Public Sector Equality Duty (see separate guidance note)</u> N/A. 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. However an Equality Impact Assessment has been undertaken for the Cabinet report. No decision on a new lease will take place until the 'Council as trustee' have considered the matter further.</p>

5. Relevant background/chronology of key events:

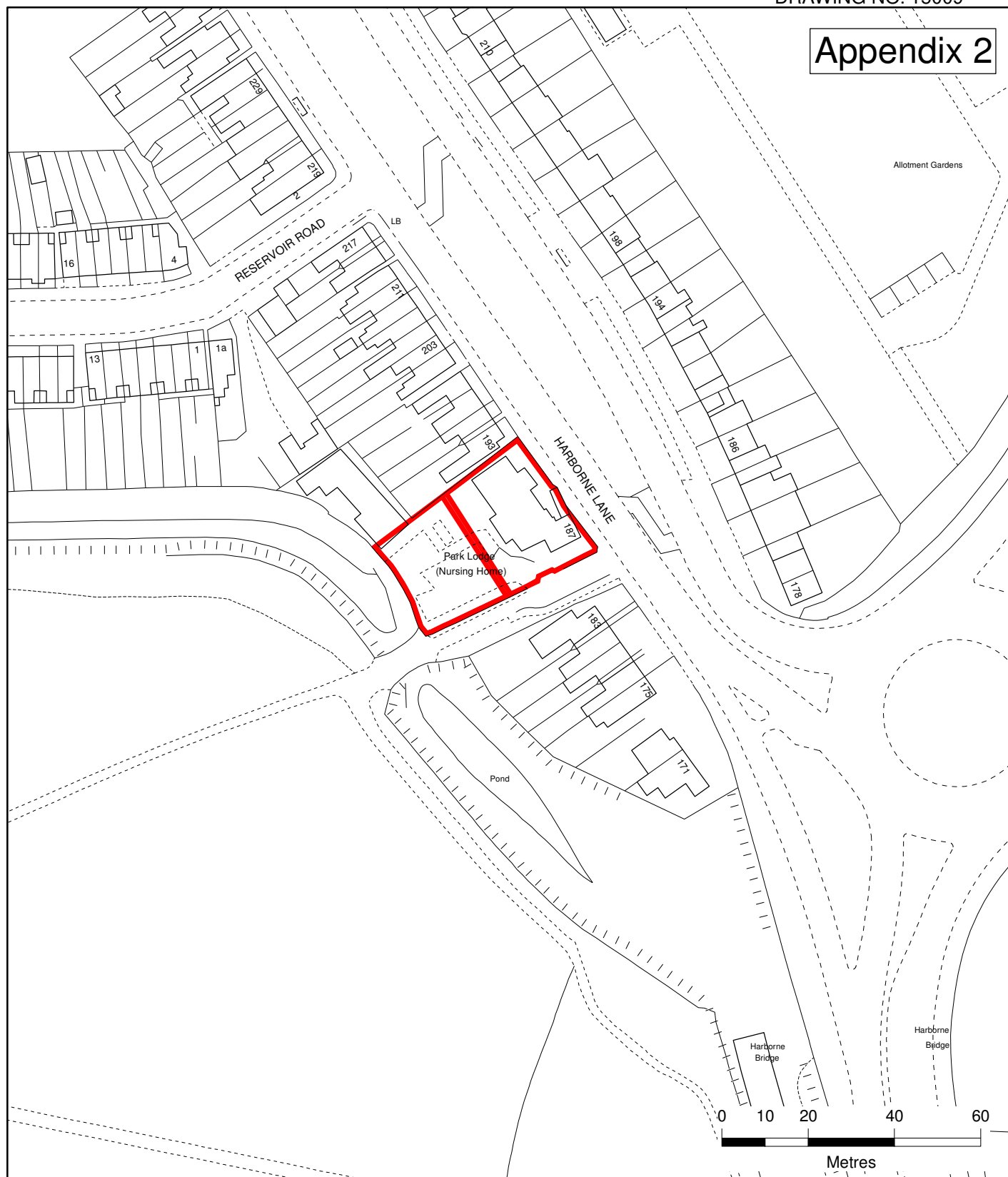
- 5.1 Selly Oak Park is formed from a number of acquisitions and is mostly held in trust as Registered Charity no.522877 k/a Public Park and Pleasure Ground Birmingham Selly Oak Park registered 01 October 1963. The City acquired the specific part of the Park when the land was gifted by William John, William W and Robert L Gibbins on 31/12/1919. The Gibbins family were a very prominent family in the area at the time. No. 187 Harborne Lane is the site of the former park keeper's lodge which was demolished in the 1980's. The trust deed contained a restrictive covenant limiting the use of the land generally to recreational purposes (public open space). In 1988, a Deed of Release was obtained to relax the covenants on this section permitting the use of the building to allow "care for old people." A 99 year lease was then granted and the care home property erected.
- 5.2 In May 2007, the nursing home closed as a result of changes in legislation making many care homes nationally non-compliant and financially unviable.
- 5.3 In 2013 the lease was assigned and the new tenant sought landlords consent to extend the term of the existing lease and to a change of use from 'care for old people' to uses as described in C2 and C2A of the Town and Country Planning (Use Classes) Order 1987 (as amended) including student accommodation. There is substantial demand for accommodation for employees of the two hospitals in the vicinity as well as general demand from university students. Planning consent to convert the existing building in to a 21 bed student accommodation block and a new stand-alone accommodation block for 9 student apartments has been granted. The conversion of the existing building has been undertaken and is fully occupied.
- 5.4 Negotiations to surrender and re-grant the lease have been on-going for some time and the main terms have now been agreed. The new terms will give the trust a greatly increased annual income and the ability to review the rent to market value every 7 years as opposed to the current lease which only doubles the passing rent every 25 years. Plans of the existing and proposed leases attached as Appendix 1 and 2. It is anticipated that a further Deed of Release will now be required in addition to other consents for the disposal.
- 5.5 **Aims and Objectives of the Charity**
Each park is held as a separate trust and decisions need to be in the best interests of that trust. The area leased is separated from the main park by the line of the former Lapal Canal though still subject to charitable objects generally. There was also a potential requirement of land within the lease to assist the restoration of the Lapal Canal by the Lapal Canal Trust in reconstructing a turning circle on the bridge. However most recent plans for the canal development no longer include the leased land and so terms have recently been agreed which include the full area of the existing lease.
- 5.6 **Trustee Powers**
The charity's constitution is set out within the executed Trust Deed for each park principally the acquisition deeds or as amended by a scheme agreed with the Charity Commission. All decisions will be mindful of the original intention set out in the documents however subject to compliance with Charity law and Part 7 Charities Act 2011 sufficient powers also exist for the Trustees to make decisions on the future of the assets including disposal in the Trustee of Land and Appointment of Trustees Act 1996.
- 5.7 **Charity Finances**
Formal accounts are required to be prepared for the Charity Commission returns where appropriate although income at Selly Oak Park is below the threshold and far exceeded by general maintenance obligations for the parkland with all duties undertaken by BCC Parks Service.

6.	Evaluation of alternative option(s):
6.1	Do nothing. There is not a 'do nothing' option. Action must be taken as the Lessee is legitimately in occupation but currently operating a business without full consent of the landlord, and the passing rent is minimal.
6.2	Take legal action against the Tenant to stop using the building as student accommodation. This would incur legal fees and would prevent the development of land and increased income to the Council. It would also deny an opportunity to provide much needed affordable accommodation near to the hospitals when there appear to be very few other options for the site except standard residential development.
7.	Reasons for Decision(s):
7.1	To safeguard the Trust's assets, secure legitimate occupation and maximise income from land held by the Trust while bringing vacant buildings back into beneficial use.

Signatures	Date
Chairman of the Trusts & Charities Committee
Chief Officer	
Director of Property

List of Background Documents used to compile this Report:	
1. Acquisition Deed dated 3 rd January 1929 with scheme of powers dated 28 May 1970	
List of Appendices accompanying this Report (if any):	
1. Plan showing the location and extent of existing lease	
2. Plan showing location and extent of two new leases to be granted.	

Appendix 2



Birmingham City Council

Peter Jones BSc, FRICS
Director of Property
Birmingham Property Services
PO Box 16255
Birmingham, B2 2WT

187 Harborne Lane
Selly Oak



SCALE

1:1,250

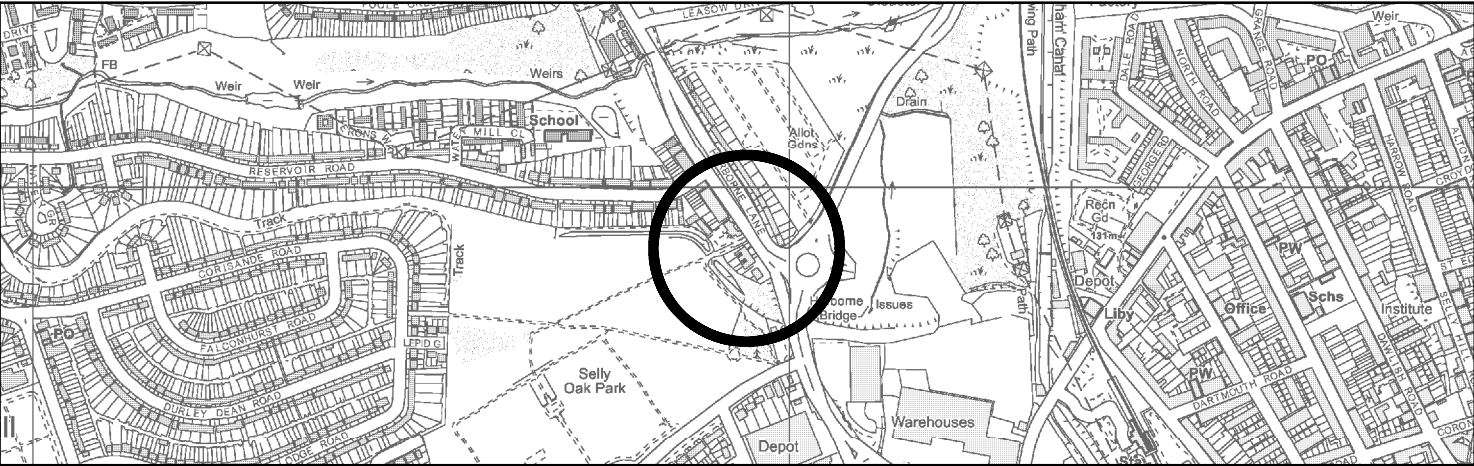
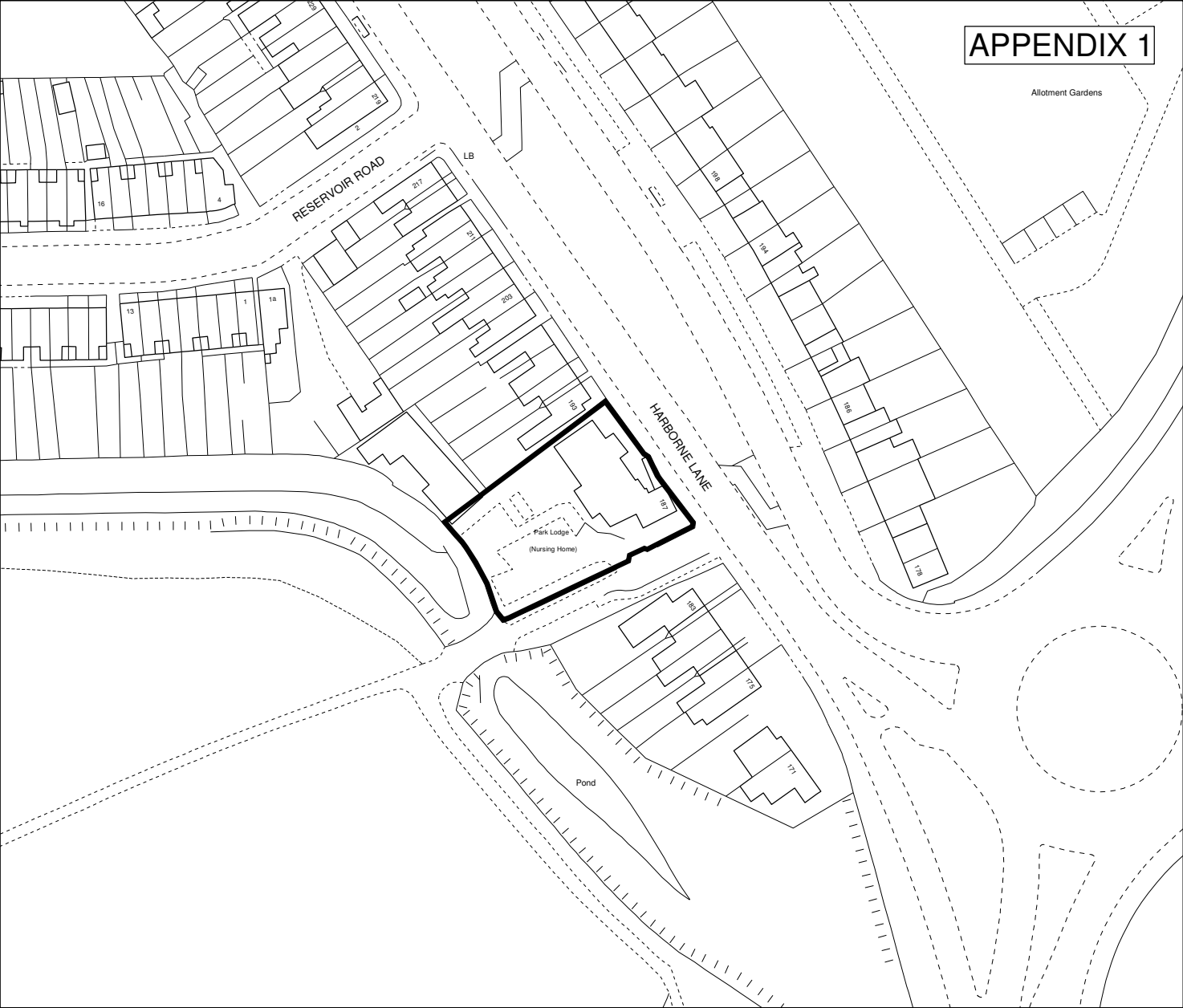
DRAWN

Bharat Patel



DATE

08/04/2016

O.S.Ref. SP0382NE



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 Birmingham City Council		Peter Jones BSc, FRICS Director of Property Birmingham Property Services PO Box 16255 Birmingham B2 2WT		
187 Harborne Lane Selly Oak	 N	Scale (Main Map)	Drawn	Date
		1:1,250	Bharat Patel	08/04/2016
		Page 131 of 166 Ref. SP0382NE		

Report to:	TRUSTS AND CHARITIES COMMITTEE
Report of: Date of Decision:	Director of Property 20th July 2016
SUBJECT:	CROPWOOD ESTATE – DISPOSAL OF FORMER CARETAKERS COTTAGE, SPIREHOUSE LANE
Wards affected:	Outside of the City Boundaries

1. Purpose of report:

- 1.1 To seek approval to dispose of the property forming part of the Cropwood Estate and formerly used by the Hunters Hill School as the caretakers cottage.

2. Decisions recommended:

That the Committee recommends that

- 2.1 the freehold interest of the land identified in Appendix 1 be disposed of
- 2.2 the recommendation of the Trusts and Charities Committee to be advanced to the next available meeting of the Council as Trustee for approval once it is declared surplus to their requirements by Education Infrastructure officers
- 2.3 approval be given to the terms of any disposal being delegated to the Director of Property who will work with external agents to secure appropriate valuation advice to comply with statutory requirements of the Charities Act 2011
- 2.4 authorises the City Solicitor to negotiate, seal, execute and complete all legal documentation to give effect to the above recommendations.

Lead Contact Officers:	Nigel Oliver, Birmingham Property Services
Telephone No: E-mail address:	0121 303 3028 nigel:g:oliver@birmingham.gov.uk

3. Compliance:

3.1 Consultations:

The Cropwood Estate (registered Charity no. 1085296) has been used since the original gift for schools purposes. The Hunters Hill School have advised that the former Caretakers Cottage has been vacant for some years. During that time the School has investigated options for reuse and conversion to a teaching base and for a pupil garden/allotment growing area but have accepted this is not sustainable and have advised that it can be declared surplus to their requirements.

Officers in Education are reviewing matters but are likely to declare this property surplus allowing for it to be disposed of.

Public consultation is not required but may be undertaken.

3.2 Are there any relevant legal powers, personnel, equalities, procurement, regeneration and other relevant implications?

The City Council acts as Sole Corporate Trustee for a number of charitable and non-charitable Trusts and has delegated day to day decision making to the Trusts and Charities Committee. Charitable trust activity is regulated by the Charity Commission and any proposals relating to the estate will be governed by the Trust document as amended by any Scheme approved by the Charity Commission.

The Cropwood Estate Trust holds the freehold interest of the land held in trust as Sole Trustee and is responsible for ensuring the Trust is managed in accordance with the governing document and in accordance with charity law and relevant Charity Commission guidance.

The Trustees of the Charity could rely on the provisions of the Section 6(1) Trusts of Land and Appointment of Trustee Act 1996 which provides an implied statutory power of disposal. However, the Charity Commission Scheme dated 12th November 1997, establishing the regulation of the Charity also provides appropriate powers for the disposal of assets by sale or for lease. It requires that all such disposals be conducted in line with statutory processes set out in the Charities Acts and that the proceeds of any sale be invested in trust for the Charity.

3.3 How will decisions be carried out within existing finances and resources?

The Committee has responsibility for ensuring the proper governance of the Trust in accordance with the objects of the trust and charity law. Any disposal of the land, if approved, will be undertaken by officers in Legal Services and Birmingham Property Services. The valuation of the asset will have to be undertaken by an external valuer as required under the Charities Act 2011 and the fee for this will be reclaimed from any capital receipt.

Running costs for the Cottage is currently being picked up by Education Infrastructure. Disposal will mean there is no continuing cost to the Trust or to Birmingham City Council.

3.4 Main Risk Management and Equality Impact Assessment Issues (if any):

The Cropwood trust is empowered to undertake sales of land and property on the Estate subject to the appropriate investment of the capital receipt. The disposal will remove a building at risk of vandalism etc. Disposals of parts of the estate have already been made in 1994 and 1998.

4. Relevant background/chronology of key events:

- 4.1 The main area of land comprising the Cropwood Estate was gifted to the City by Barrow Cadbury and Mrs Geraldine S Cadbury on 1st June 1921 with further parcels gifted by Barrow Cadbury on 28th February 1933 and again on 20th May 1938 and is approximately 35 hectares. The trust is governed by a scheme dated 12th November 1997.
- 4.2 The specific objects of the Cropwood Estate trust are wide ranging and are: the furtherance of any charitable purpose for the benefit of the inhabitants of the City of Birmingham including all or any of the following purposes (a) the provision and support of educational facilities (b) the provision and support of facilities for recreational and other leisure time occupation with the object of improving the conditions of life for the said inhabitants (c) the relief of the aged, impotent and poor (d) the relief of sickness.
- 4.3 While originally for Outdoor School for the improvement of the health of children from Birmingham the trust land is principally used by the Hunters Hill School. Land not directly used by the school is let on an agricultural tenancy.
- 4.4 The proposal to dispose is necessary as the land can no longer effectively assist the delivery of the Objects from the Schools perspective and cannot easily be managed by officers in Education. The objects of the charity are very wide ranging and therefore could be met otherwise by other users but a proposal to dispose would enable the property to be brought back into use by others quickly at no cost to the charity but delivering a capital receipt. Any disposal would be required to be at the full market value of the asset as assessed by an independent qualified valuer. Any capital receipt will accrue to trust funds and interest would be used to further the Objects.
- 2.5 If disposal is judged to be in the best interests of the charity the preference is to sell the freehold interest as the property is detached from the school and BCC/Trust responsibilities are fully brought to an end but alternative means of disposal such as a long lease will also be considered.

5. Evaluation of alternative option:

To do nothing is not an appropriate option as the building will remain at risk. Similar decisions to dispose of property from other trusts has more recently proposed that properties be improved and re-let to provide income to the Trust above what might be anticipated from current investment opportunities. This is an option but the recommendation is to sell based on current unimproved condition of the property, the anticipated cost of renovation and for fees for planning and other permissions together with the time required to develop any scheme for improvement/extension during which the building would remain at risk and against the general funds available within the Cropwood estate.

Signatures:

Chief Officer(s):

Dated:

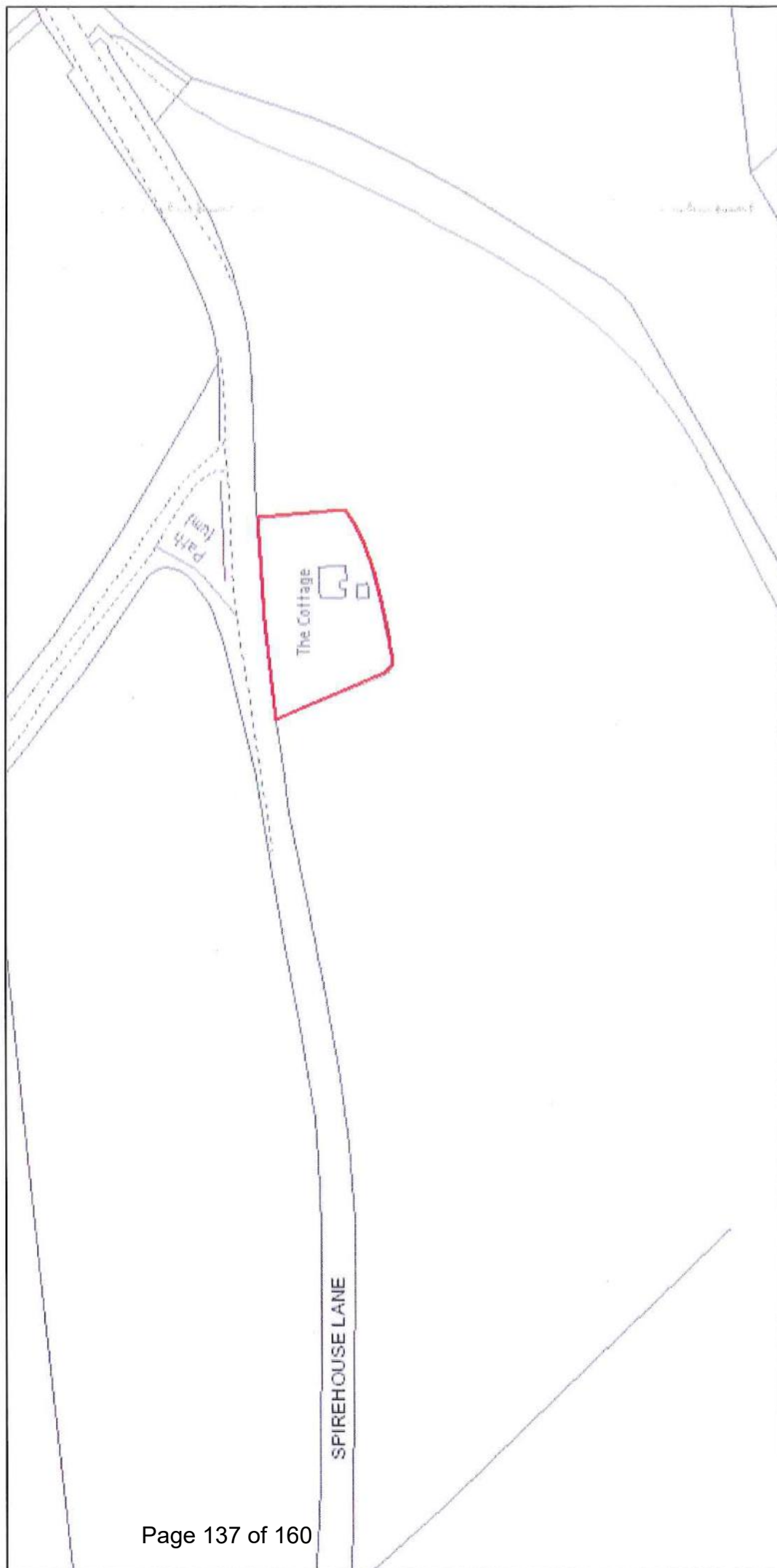
List of Background Documents used to compile this Report:

1. Scheme of Powers from the Charity Commission dated 12th November 1997

List of Appendices accompanying this Report (if any):

1. Plan of the boundaries of land included in the disposal.





Birmingham City Council

Map Created By:

Date of Map Creation: 07/07/2016

Map Notes



Scale:
1:1,250

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Report to:	TRUSTS AND CHARITIES COMMITTEE
Report of:	Strategic Director of Finance and Legal Services
Date of Decision:	20 July 2016
SUBJECT:	ANNUAL REPORT & ACCOUNTS – 2014/15 BODENHAM
Wards affected:	All

1. Purpose of report:

- 1.1 To present for information the Annual Report and Accounts for Bodenham Trust for the financial year ending 30 September 2015.

2. Decision(s) recommended:

- 2.1 That Committee is receiving this report for information as Custodian Trustee and is asked to note the attached Annual Report and Accounts- Appendix 1.

Contact Officer:	Mark Szurminski
Telephone No: E-mail address:	0121 675 0482 Mark_szurminski@birmingham.gov.uk

3. Compliance Issues:

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

The Chairman of the Committee has been consulted in the preparation of this report.

3.2 External

N/A

4. Compliance Issues:4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

N/A

4.2 Financial Implications
(Will decisions be carried out within existing finance and Resources?)

N/A

4.3 Legal Implications

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 City Council acts as Sole Corporate Trustee for a number of charitable and non-charitable trusts and has delegated the management of these trusts to the Trusts and Charities Committee. Charitable trusts are governed by charity law and are regulated by the Charity Commission. However, day to day management decisions for this charitable trust are made by a separate and independent group of managing Trustees. This is because, the Council is custodian trustee. The function of the custodian trustee is simply to hold the legal title to the Trust's assets i.e. the asset is registered in the name of the Council. The Council has no role in the Charity's management and therefore cannot make any decisions.

This Report is therefore presented to Committee for information only, Committee are of course able to pass on observations to the managing Trustees for them to consider as appropriate.

4.4 Public Sector Equality Duty (see separate guidance note)

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 The Trust is governed by a Charity Commission scheme dated 6 September 1989, a scheme dated 24 April 1995 and an order dated 19 February 1996.

5.2 The Trust has a permanent endowment and other capital funds which are invested in order to produce income for the following purposes:

- In promoting the educational and training of persons under the age of nineteen years who have special educational needs, by the provision of special facilities or equipment or otherwise.
- In promoting for such persons as aforesaid the facilities for recreational or other leisure time occupation with the objective of improving their conditions of life.
- In relieving such persons as aforesaid who special educational needs are attributable to physical or mental handicap, disabilities or illness by the provision of facilities for their treatment or care or otherwise.

5.3 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

The attached accounts have not been independently examined as the trusts income for the year was £19,335.

6.Reasons for Decision(s):
6.1 This Report is for information only.

Signatures	Date
Strategic Director Finance and Legal Services
Chairman

List of Appendices accompanying this Report (if any):
1. 2014/15 Accounts

BODENHAM TRUST ACCOUNTS 2014/15**CONTENTS**

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BIRMINGHAM BODENHAM TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
PERIOD ENDED 30th SEPTEMBER 2015**

	Notes	Restricted Income £ p	Designated Funds £ p	Endowment Funds £ p	2015 Total £ p	2014 Total £ p
INCOMING RESOURCES						
Voluntary income: Donations	10,11	2,868.19	0.00	0.00	2,868.19	7,785.87
Investment income		16,466.51	0.00	0.00	16,466.51	14,131.14
TOTAL INCOMING RESOURCES		19,334.70	0.00	0.00	19,334.70	21,917.01
RESOURCES EXPENDED						
Charitable Activities						
Direct charitable expenditure: Grants awarded	2	15,026.00	0.00	0.00	15,026.00	13,455.00
Pensions	1(f)	0.00	0.00	0.00	0.00	0.00
Administration expenses		0.00	0.00	0.00	0.00	0.00
Governance Costs	10,11	3,341.69	0.00	0.00	3,341.69	7,785.87
Investment Managers Costs:						
Fund managers fee		2,563.64	0.00	0.00	2,563.64	3,532.16
TOTAL RESOURCES EXPENDED		20,931.32	0.00	0.00	20,931.32	24,773.03
Transfers between funds	1(e)	0.00	0.00	0.00	0.00	0.00
Net Incoming (outgoing) resources		(1,596.62)	0.00	0.00	(1,596.62)	-2,856.02
Gains (Losses) on investments						
Realised		0.00	13,143.07	84,610.46	97,753.53	10,947.37
Unrealised		0.00	(21,183.88)	(114,891.98)	(136,075.86)	8,004.94
Net Movement in Funds		(1,596.62)	(8,040.81)	(30,281.52)	(39,918.95)	16,096.29
Balance brought forward at 1st October		(6,887.51)	111,027.30	515,742.92	619,882.71	603,786.42
Balance carried forward at 30 September		(8,484.13)	102,986.49	485,461.40	579,963.76	619,882.71

BIRMINGHAM BODENHAM TRUST

BALANCE SHEET 30th SEPTEMBER 2015

FIXED ASSETS	Note	2015	2014
Investments	3	566,227.81	608,795.73
CURRENT ASSETS			
Debtors	4	20.25	2,059.37
Cash at bank		12,244.02	5,738.39
Short term deposit		<u>9,000.00</u>	<u>9,000.00</u>
		21,264.27	16,797.76
LIABILITIES: amounts falling due within one year	5	7,528.32	5,710.78
NET CURRENT ASSETS		<u>13,735.95</u>	<u>11,086.98</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>579,963.76</u>	<u>619,882.71</u>
LIABILITIES: amounts falling due after more than one year		0.00	0.00
NET ASSETS		<u>579,963.76</u>	<u>619,882.71</u>
FUNDS			
Income funds : restricted		(8,484.13)	(6,887.51)
Capital funds : permanent endowment		485,461.40	515,742.92
: designated fund		<u>102,986.49</u>	<u>111,027.30</u>
	6	<u>579,963.76</u>	<u>619,882.71</u>
		0.00	0.00

Approved by the Trustees and signed on their behalf by

Analysis of Cash

Pensions

Creditor 30/09/14	0.00
less: Paid (calc of cheque)	0.00
Add: Creditor 30/09/15	0.00
Total	0.00

Grants

Creditor 30/09/14	(3,973.83)
Less :Paid	12,000.00
Add Creditor 30/09/15	6,999.83
Total	15,026.00

Management Fee

Creditor 30/09/14	-19,741.44
Creditor 12/09/15	22,305.08
	2,563.64

Contribution to Capital

Creditor 30/09/14	0.00
Less Paid	0.00
Add Creditor 30/09/15	0.00
Total	0.00

Governance Expenses (Finance)

Finance	-
Creditor 30/09/14	473.49
Less Paid	
Creditor 30/09/15	
Total	473.49

Investment Income

Received	18,505.63
Less: Debtor 30/09/14	(2,059.37)
Add Debtor 30/09/15	20.25
Total	16,466.51

	14/15	Y/e creditor 13/14	19,741.44
			1,609.78 (01-10-2014 to 12/03/2015)
			868.86 (13-03-2015 to 12/09/2015)
			85.00 Estimated on a Pro Rata Basis re 13-03-2015 Invoice
			22,305.08
Less accrual			-85.00
Cash			22,220.08

Notes
No audit fees required as income below £25k.

NOTES TO THE ACCOUNTS

1 Accounting Policies

a) Basis of Accounting

These financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, the Charities Act 1993 and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005).

b) Incoming resources

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

c) Resources expended

Expenditure is accounted for on an accruals basis. Grants awarded, once approved, are included in the Statement of Financial activities for the year in which the related activity is to take place.

d) Fixed asset investments

Investments are stated at market value at the balance sheet date as valued by the fund managers. The investments are independently managed by Gerrard Investment Management Limited, a company authorised and regulated by the Financial Services Authority.

e) Funds and transfers

An Order of the Charity Commissioners dated the 22nd November 1995 confirmed that the funds of the Bodenham Manor School Amenities Trust could be transferred to the Trust.

The Order enabled the capital funds from the Amenities Trust to be expended at the discretion of the trustees of the Bodenham trust. The trustees present policy is to invest the capital on a long term basis and use only income from it. The capital is therefore shown as a separate Designated Fund in the accounts in order to distinguish it from the Endowment Fund.

The Restricted Fund represents the accumulated unspent income to date which all derives from the investments of the fund.

The Trust Deed provides that the trustees shall set aside out of the income of the charity the sum of £4,140.15 as a contribution to capital in each year up to and including the year 2007/08. This practice has therefore ceased in relation to 2008/09. In addition, in order not to deplete capital, the trustees make provision from income each year a sufficient sum to replace Investment Fund Management Charges which are paid directly from the bank account which forms part of Fixed Assets Investments.

f) Pensions

The current Trust Deed allows for a pension enhancement to be paid to the former Head Teacher and his wife of the Bodenham Manor School. This enhancement is indexed in line with the yearly pension increases applicable to the appropriate national superannual. Both individuals are now deceased and no payments will be made in future financial years.

2 Direct charitable expenditure: Grants awarded

As described in the Trustees' Report, the Trust invites applications for grants from individuals and organisations which are consistent with its objectives.

During the year the trustees approved grant applications from individuals and organisations totalling £15,026 (2013: £12,989). Grants ranged between £500 and £1,000.

The seven largest grants awarded were:

	£
Dream Holidays	1,000.00
Northern House School Academy Trust	1,000.00
MAC Charity	1,000.00
Friends of Priestley Smith School	1,000.00
Foundation for Conductive Education	1,000.00
Access2Books Ltd	1,000.00
Whizz- Kidz	1,000.00

3 Fixed Asset Investments

	2015 £	2014 £
Quoted Investments		
Market value 1st October	608,795.73	593,338.38
Additions	647,744.83	112,684.52
New contribution	0.00	0.00
Disposals	(549,991.30)	(101,737.15)
Net unrealised investment gains/(losses)	(140,321.45)	4,509.98
Market value 30th September	566,227.81	608,795.73

At the balance sheet date the investments comprised:

2015 £	2014 £
-----------	-----------

4 Debtors	2015	2014
	£	£
Accrued interest	0.00	422.00
Other debtors (Income)	20.25	1,637.37
	<u>20.25</u>	<u>2,059.37</u>

5 Liabilities: Amounts falling due within one year	2015	2014
	£	£
Contribution to capital	0.00	0.00
Pensions	0.00	0.00
Grants	6,969.83	3,943.83
Audit Fee	0.00	0.00
Management Fee	85.00	1,766.95
BCC Recharge for Services Provided	473.49	0.00
	<u>7,528.32</u>	<u>5,710.78</u>

6 Analysis of Net Assets between Funds

	Fixed Assets	Net Current Assets	Total
	£	£	£
Restricted Funds	-	8,484.13	8,484.13
Designated Funds	102,986.49	-	102,986.49
Endowment Funds	463,241.32	22,220.08	485,461.40
	<u>566,227.81</u>	<u>13,735.95</u>	<u>579,963.76</u>

7 Outline Summary of Fund Movements

	Opening Balance	Incoming Resources	Outgoing Resources	Transfers	Gains & Losses	Closing Balance
	£	£	£	£	£	£
Restricted Funds	-	6,887.51	19,334.70	-	-	8,484.13
Designated Funds	111,027.30	-	20,931.32	-	8,040.81	102,986.49
Endowment Funds	515,742.92	-	-	-	30,281.52	485,461.40
	<u>619,882.71</u>	<u>19,334.70</u>	<u>20,931.32</u>	<u>-</u>	<u>38,322.33</u>	<u>579,963.76</u>

8 Trustees remuneration and expenses

No trustee received remuneration or expenses from the trust during this or the previous year.

9 Employees

The charity has no employees. Administrative, secretarial, financial and legal services are currently provided by Birmingham City Council up to 31st May 2015 for no charge. With effect from 1st June 2015 services will be recharged to the Trust. Calculations will be based upon time recording and relevant hourly staff rates.

10 Examiners' Fee

The fee of the Independent Examiner of the accounts was paid by Birmingham City Council up to and including 2006/07. However, from 2007/08 onwards the Trust is responsible for paying the audit inspection fee. The fee is therefore no longer included within Governance costs. For the year ended 30 September 2011, 2012, 2013 and 2014 there was no fee applicable as the income of the Trust fell below £25,000 meaning no independent inspection was required. This is the same in 2014/15 whereby the income is below the threshold.

11 Donated services and facilities

The charity is provided with administrative, secretarial, financial and legal services by Birmingham City Council. The cost of these services was provided at no charge to the charity up to the 31st May 2015. However from the 1st June 2015 the Trust have agreed to pay for these services. The value of these services has been calculated at £3,341.68 (Donation :£2,868.19 and Recharge £473.49) (2014: £7,785.87) and this has been reflected in the Statement of Financial Activities. The chargeable element has been calculated using staff time recording and applicable hourly rates.

12 Related Party Transactions

Birmingham City Council is a related party of The Birmingham Bodenham Trust by virtue of the powers vested in it by the trust deed to appoint or remove a significant proportion of the trustees of the charity. During the year the Council donated services and facilities as shown in note 11. Also, the Council made payments and provided services on behalf of the charity which are reimbursed at a later date. The total amount owing to the Council at the year end was £7,443.32 (2014: £3,943.83).

13 Control Relationships

The charity is controlled by the trustees.

Report to:	Trusts and Charities Committee	<i>Exempt information paragraph number – if private report:</i>
Report of:	Strategic Director – Finance and Legal Services	
Date of Decision:	Director of Finance	
SUBJECT:	20 July 2016	
	ANNUAL REPORT AND ACCOUNTS – SIR WHITWORTH WALLIS PERIOD ENDING 31 MARCH 2016	
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 To present for information the Annual Report and Accounts for Sir Whitworth Wallis for the financial year ending 31 March 2016 as set out within Appendix 1.

2. Decision(s) recommended:

- 2.1 That Committee is receiving this report for information as Custodian Trustee and is asked to note the attached Annual Report and Accounts.

Contact Officer:	Mark Szurminski
Telephone No:	0121 675 0482
E-mail address:	Mark_szurminski@birmingham.gov.uk

3. Consultation

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

The Chairman of the Committee has been consulted in the preparation of this report.

3.2 External

N/A

4.	Compliance Issues:
4.1	<p><u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>N/A</p>
4.2	<p><u>Financial Implications</u> (Will decisions be carried out within existing finance and Resources?)</p> <p>N/A</p>
4.3	<p><u>Legal Implications</u></p> <p>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.</p> <p>The City Council acts as Sole Corporate Trustee for a number of charitable and non-charitable trusts and has delegated the management of these trusts to the Trusts and Charities Committee. Charitable trusts are governed by charity law and are regulated by the Charity Commission. However, day to day management decisions for this charitable trust are made by a separate and independent group of managing Trustees. This is because, the Council is custodian trustee. The function of the custodian trustee is simply to hold the legal title to the Trust's assets i.e. the asset is registered in the name of the Council. The Council has no role in the Charity's management and therefore cannot make any decisions.</p> <p>This Report is therefore presented to Committee for information only, Committee are of course able to pass on observations to the managing Trustees for them to consider as appropriate.</p>
4.4	<p><u>Public Sector Equality Duty (see separate guidance note)</u></p> <p>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.</p>

5. Relevant background/chronology of key events:

5.1 The Trust was established under a deed dated 26th July 1968 in memory of Sir Whitworth Wallis, the first curator of the Birmingham Art Gallery.

5.2 The objects of the Trust are the promotion and study of paintings by students by offering scholarships, bursarships or prizes.

5.3 For information the trust does not hold any land and buildings. The Trust has an endowment of £36,000 and the investments are managed by Birmingham City Council's Treasury Management Team.

5.5 Each charitable Trust registered with the Charity Commission is required to annually submit an annual Report and Accounts, except where gross annual income is less than £25,000, no later than ten months after the end of each financial year. 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 annual 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 gross assets exceed £3.26m, and the charity's gross income is more than £250,000.

5.6 For information no independent examination was required as the total annual income for the financial year was £1,641.

6. Evaluation of alternative option(s):

6.1 It is a Charity Commission requirement to compile annual accounts.

7. Reasons for Decision(s):

7.1 For Committee to approve the accounts.

Signatures

Date

Strategic Director - Finance
and Legal Services

.....

Chairman

.....

List of Background Documents used to compile this Report:

N/A

List of Appendices accompanying this Report (if any):
1. 2015-16 Accounts.

Sir Whitworth Wallis Trust

Registered Charity Number 529062

Report and Accounts

31 March 2016

Sir Whitworth Wallis Trust

Report of the Trustees for the Year Ended 31 March 2016

The Trustees present their report along with the financial statements of the charity for the year ended 31 March 2016. The financial statements have been prepared in accordance with the accounting policies set out in the notes thereto and comply with the charity's trust deed and applicable law.

Reference and administrative information

The Trust is registered with the Charity Commission, registration number 529062

The Trustees are:

The Chief Executive of Birmingham City Council
Miss A M W Stokes-Roberts - Chairman
Mrs M Barfield
Mr CS Bell
Proff J Butler - Retired
Mr C Shaw
Mr T Watley
Mr J Wigley
Ms J Vaudeau

The address for correspondence is:

Ms Leigh Nash
Birmingham City Council
Zone 2
Finance (WS)
PO Box 16306
Birmingham B2 2XR

The Trust's bankers are:

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Sir Whitworth Wallis Trust

Report of the Trustees for the Year Ended 31 March 2016

Structure, Governance and Management

The Trust was established under a deed dated 26 July 1968 in memory of Sir Whitworth Wallis, the first curator of the Birmingham Art Gallery. Whilst there are to be a minimum of 3 Trustees, currently there are 8 and they are listed above.

Objectives and Activities

The original objectives were the promotion and study of painting through the award of prizes to one or more students from the College of Art and Design (University of Central England) who had produced work in Fine Art of a sufficiently deserving standard.

In 2012 a review was conducted and the Trustees decided instead to fund an annual residency based at the Birmingham Museum and Art Gallery, in partnership with Birmingham City University's Birmingham Institute of Art and Design (BIAD). Applications are sought from full and part-time graduating BA and MA students, and graduates from the last two years of Margaret Street based BIAD students. The residency is in Fine Art with a focus on painting and drawing rather than other media, as these were of particular interest to Whitworth Wallis.

The objective of the residency, which is approximately 4 weeks in length, is to produce a piece of work inspired by items in the museum/art gallery's collection.

Financial Review

Investment income for the year amounted to £1,325.

During the year the value of investments decreased by £1,140, to £34,421. This represents a decrease of 3.21%

Charitable Expenditure for the year was £1,200.

Support costs of £315.45 were incurred but were also received as a Gift in Kind from Birmingham City Council.

Trustees' Responsibilities in Relation to the Financial Statements.

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Andrea Stiles Roberts Trustee

15/6/16 Date


Sir Whitworth Wallis Trust

Statement of Financial Activities For The Year Ended 31 March 2016

Note	Unrestricted Fund £	Endowment Fund £	Total 2016 £	Total 2015 £
Incoming Resources				
Investment Income	1,325.11	0.00	1,325.11	1,299.28
Gift in Kind	315.45	0.00	315.45	0.00
Total Incoming Resources	1,640.56	0.00	1,640.56	1,299.28
Resources Expended				
Direct Charitable Expenditure	1,200.00	0.00	1,200.00	1,200.00
Support Costs	315.45	0.00	315.45	0.00
Total Resources Expended	1,515.45	0.00	1,515.45	1,200.00
Net Incoming Resources / (Resources Expended)	125.11	0.00	125.11	99.28
Other Recognised Gains / (Losses)	0.00	(1,140.08)	(1,140.08)	3,299.49
Net Movement in Funds	125.11	(1,140.08)	(1,014.97)	3,398.77
Balance of Fund Brought Forward at 1 April	1,720.56	35,561.34	37,281.90	33,883.13
Balance of Fund Carried Forward at 31 March	1,845.67	34,421.26	36,266.93	37,281.90

Balance Sheet as at 31 March 2016

Note	Unrestricted Fund £	Endowment Fund £	Total 2016 £	Total 2015 £
Fixed Assets				
Investments	2 0.00	34,421.26	35,561.34	35,561.34
Current Assets				
Cash at Bank	1,845.67	0.00	1,845.67	1,720.56
Net Assets	1,845.67	34,421.26	36,266.93	37,281.90
Funds	1,845.67	34,421.26	36,266.93	37,281.90

 Trustee

15/2/16. Date

Sir Whitworth Wallis Trust

Notes to the Accounts for the Year Ended 31 March 2016

Note 1 Principal Accounting Policies

Accounting Convention

a) Accounting Convention

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and the requirements of the Charities Act 2011.

The Trustees have made use of the concession available for smaller charities within the SORP and have chosen to use resource classifications appropriate to the charity's circumstances and activities.

b) Investment Income

Investment income is accounted for on an accruals basis.

c) Resources Expended

Expenditure is included on an accruals basis.

d) Fixed Assets Investments

Investments are included at closing value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities.

e) Fund Accounting

Details and the nature of each fund is set below.

Unrestricted Funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Endowment Funds represents those assets which must be held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the endowment fund.

Note 2 Fixed Asset Investments

	2016 £	2015 £	
Market Value at 1 April	35,561.34	32,261.85	
Acquisitions at Cost	0.00	0.00	
Sales Proceeds from Disposals / Redemption	0.00	0.00	
Gain / (Loss) in the year	(1,140.08)	3,299.49	
Market Value at 31 March	34,421.26	35,561.34	
Investments at market value comprised:	31-Mar-16	31-Mar-15	% Change
UK Unit Trusts - 2795 COIF Shares	34,421.26	35,561.34	-3.21%
All investments are listed UK securities.			

TRUSTS AND CHARITIES COMMITTEE

20 JULY 2016

SCHEDULE OF OUTSTANDING MINUTES

<u>Date/ Minute No</u>	<u>Subject Matter/Response</u>	<u>Comment</u>
571 Nigel Oliver	<u>Arrange Peter Jones, Director of Property to attend Future T&C meeting</u> – Briefing note to be submitted and discussed at pre-agenda.	
571 Nigel Oliver/Sanjeev Bhopal	<u>Surrender and Renewal of Lease up to Final Stage</u> – NB: No authority to prepare or seal documents.	
571 Mark Szurminski/ Sanjeev Bhopal	<u>187 Harborne Lane</u> – How income will be accounted for – Information to Chairman. Separate briefing note to be discussed at Pre-agenda.	<u>DISCHARGE</u> – report attached.
810 (referring to 804) Nigel Oliver	<u>Car Parking Charges on Trust Land</u> – Awaiting decision from Parks.	
812 Mark Szurminski	<u>Final Figures for 2015/16</u> - Report to be submitted.	<u>DISCHARGE</u> – report attached
812 Sanjeev Bhopal	<u>Report on Grant Disbursements by BMC</u> - Report to be submitted.	<u>DISCHARGE</u> – report attached
813 Nigel Oliver	<u>Review of Cropwood Trust Lease Documents</u> - Report to be submitted.	<u>DISCHARGE</u> – report attached
813 Sanjeev Bhopal	<u>Report on legal position/impact of Academy status on Cropwood Trust</u>	

- 816
Chairman/Stuart
Evans **Appointments Protocol Panel** – Report
to Cabinet (Stuart – subsequent
amendments to Constitution).
- 818
Sanjeev Bhopal **Issue of Delegations/Constitution of
T&C Committee**
- 818
Nigel Oliver **List of Parks where Licences to sell Ice-
Creams (etc) were in force/proposed –**
Briefing note to be discussed at Pre-
Agenda.