

Birmingham City Council

Trusts and Charities Committee

15 January 2024



Subject: Birmingham Municipal Charity – Draft Promotions Strategy

Report of: Director of Group & Capital Finance, Deputy s151

Report author: Alison Jarrett, Director Group & Capital Finance, Deputy s151

Does the report contain confidential or exempt information? ☐ Yes ☒ No

If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:

1 Executive Summary

- 1.1 To propose a draft promotions strategy to the Committee in order to increase the number of awards made from the Birmingham Municipal Charity (BMC) in support of its terms and objectives.

2 Recommendation(s)

That the Committee:

- 2.1 Notes the draft strategy set out in Appendix 1, raises any additional items for discussion, further work, amendment or inclusion and agrees a timeline for adoption of all or some of the content.
- 2.2 Notes the draft updated application form at Appendix 2 and approves amendments following on from the discussion of the Draft Strategy at Appendix 1.
- 2.3 Notes, that in line with the Charity's Objects and Purposes, any costs associated with administration of the Charity and the promotion of it will be charged to the Charity.
- 2.4 Authorise the Interim City Solicitor & Monitoring Officer and Director of Group & Capital Finance or their delegates to update conditions of grant agreement and all contributory documentation to reflect updated BMC award terms and conditions.

3 Background

- 3.1 The Birmingham Municipal Charity was established by a Trust deed dated 9 June 2011 by Birmingham City Council. This deed amalgamated 57 small and dormant trusts holding a total balance of £241,349 in a single charitable trust. The BMC balance now stands at £760k and earns income from interest on deposits.
- 3.2 The Objects and Purposes of the Charity are to fund general charitable activity, for the benefit, and on behalf, of the citizens of Birmingham. The Trustee must use the income, and may use the capital of the Charity in promoting the Objects and Purposes of the Charity.
- 3.3 At its meeting on 13 November, 2023, the Committee discussed the number of applications coming forward for grant funding from the BMC and how the Council as Trustee made the citizens of Birmingham who may be eligible for assistance aware of the Charity's existence. Officers were requested to provide a draft proposal of how this might be improved.
- 3.4 A draft promotional strategy is provided at Appendix 1 for the Committee to consider the actions it wishes to take forward and how an updated application process may reflect any changes proposed, noting that all proposals will be remain within and targeted to deliver the Objects and Purposes of the Charity. Appendix 2 is an application form to be updated with any changes arising from the discussion of the strategy.
- 3.5 Certain changes, if proposed, for example to the amount of funds to be transferred annually from ringfenced to un-ringfenced funds, the award caps and annual spend limits will need to form the basis of a separate decision report.

4 Options considered and Recommended Proposal

- 4.1 The Committee may retain the position at present with little active promotion of the Charity. This is not recommended as it is not in the spirit of the Trustee intentions on consolidation of the various charitable funds nor does it seek to actively follow the Objects and Purpose of the BMC.
- 4.2 There are clear benefits to implementing an active promotions strategy albeit there may be a rise in expectation and applications beyond a sustainable annual limit. Should this arise then consideration of prioritisation and structured timing will be considered.

5 Legal Implications

- 5.1 The City Council acts as Sole Corporate Trustee for the Birmingham Municipal Charity. The Trustee has powers which may be exercised only in promoting the Objects and Purposes in line with the Charities Act 2011.

6 Financial Implications

- 6.1 The Committee has responsibility for ensuring the proper governance of the BMC in accordance with the objects and purposes of the trust and charity law and as Trustees to ensure that actions are undertaken within financial resources.
- 6.2 Any decision or action that increases the amounts awarded as grants will be mindful of affordability of the fund and prioritisation if oversubscribed. A proposal within the strategy seeks to allocate funding across the year, however this is for the board to consider, mindful of the Objects and Purposes.
- 6.3 Resources to facilitate the Charity are currently charged annually to BMC. As this work increases this resource recharge is likely to increase accordingly. An estimate of this resource will follow the assessment of the strategy for implementation, acknowledging that it has to be proportionate and reasonable, but will reflect actual costs incurred.

7 Public Sector Equality Duty

- 7.1 The statutory functions discharged by the trustees through the Council as Trustee and the Trusts & Charities Committee 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.

8 Background Papers

- 8.1 none

9 Appendices

- 9.1 Appendix 1 – Draft Promotions Strategy
- 9.2 Appendix 2 – Application Form

Appendix 1

Birmingham Municipal Charity

Strategy Proposal to Increase Activity and Ensure the Charity Meets its Objectives and Purpose

1 Background

The Birmingham Municipal Charity was established by a Trust deed dated 9 June 2011 by Birmingham City Council. This deed amalgamated 57 small and dormant trusts holding a total balance of £241,349 into a single charitable trust.

The Objects and Purposes of the Charity are to fund general charitable activity, for the benefit, and on behalf, of the citizens of Birmingham. The Trustee must use the income, and may use the capital of the Charity in promoting the Objects and Purposes of the Charity.

2 Trustee Powers

The Trustee has powers which may be exercised only in promoting the Objects and Purposes, they include those set out below:

- To promote or carry out research
- To provide advice
- To publish or distribute information
- To co-operate with other bodies
- To support, administer or set up other charities
- To raise funds (but not by mean of taxable trading)
- To make grants or loans of money and to give guarantees
- To set aside funds for special purpose or as reserves against future expenditure
- To employ paid or unpaid agents, staff or advisors
- To pay the costs of forming the Charity

The above provides the committee with the ability to seek advice or support in marketing. This would however raise the risk that the spend creates too much interest that cannot be serviced. Any such spend would need to evidence value for money to the Committee.

3 Birmingham Municipal Charity Activity to Date

BMC holds over £760,000 total balances at the end of financial year 2023. The funds are split into restricted and unrestricted. Restricted are those amounts held in trust ostensibly as endowment funds in order to earn interest for distribution,

ultimately to be used for the objects and purposes of the charity. In 2016, a resolution was passed at Trusts and Charities Committee that an annual amount of up to £25,000 would be moved from restricted funds to unrestricted funds, subject to Charity Commission approval, for distribution if required to top up the interest earned on balances. The interest earned on the restricted funds, plus any transfers make up the unrestricted funds which are used for charity expenses as well as for distribution in grant form. Where the full £25,000 is not distributed in any one year then it is netted off the transfer from the endowment in the following year, i.e should only £10k be distributed in one year then in the next only £15k will be transferred out of restricted funds to unrestricted.

For the past 5 years no more than £10,000 has been distributed in any one year. In 2023/24 to date two awards have been made totalling £16,000 (subject to submission of invoices), each in excess of £5,000. This reflects the low number of applicants and resources available to process and report these in a timely manner.

4 Marketing of the Fund

4.1 Purpose of marketing:

- To reach more potential applicants
- To target groups or type of applicants
- To maximise use of unrestricted funds for the delivery of the charity objects and purpose
- Fund raising – to encourage and enable donations from individuals or consolidation of charitable funds.

4.2 Who are the potential applicants?

- Individuals in hardship – suggest use of connections to council services for identification
- Schools – special provision/SEND
- Clubs and other organisations serving Birmingham communities
- Other charitable organisation delivering projects in Birmingham

This list is not exhaustive

4.3 How to Access

- Council services – hard to reach communities
 - Children and adult social services
 - Birmingham Children's Trust
 - Birmingham Schools - SEND
- BCC Website presence
- Letter to Birmingham organisations from Chair Trusts and Charities Committee
- BCC Social Media – tagging/showcasing recipients

5 Fund Awards

- Amount of annual allocation – currently £24,000. Consider in terms of income levels – should each year be net of previous unused spend?
- How much per award – currently £5k limit for Sub-Committee not applicable as all award recommendations are to Trust and Charities Committee
- Consider prioritisation if demand is in excess of available funds – call for applications at set times in addition to an emergency set-aside or allow applications until funding limit reached (not been reached for many years). How prioritise – potential to score against outcomes.
- Confirm types of spend eligible for support for example:
 - one-off/non-recurring
 - assets provided maintenance is confirmed
 - non-political / non-religious?
 - within BCC boundaries
 - limit on number of applications per organisation or group of organisations

6 Proposal

- Meet with BCC directors/officers on how to access communities and/or individuals
- Compile list of charities within Birmingham and their terms/conditions for their support at this level
- Meet with AD Communications to compile proposal for BCC social media and advice
- Consider website presence
- Compile list of organisations for the Committee Chair to contact
- Reinstate resource charge – allocation of named support officer for applications
- Consider reinstatement of sub-committee should number of applications increase.

Birmingham Municipal Charity Grant Application Form

Name of Applicant	
Name of Organisation	
Project Name	
Address incl postcode	
Tel: No.	
Email Address	
Charity No (If applicable)	
Details of Applicant Please provide brief background details of your organisation or your client (including your relationship to the award recipient where applicable)	
What is grant to be used for?	

<p>How will the item (s) requested assist in the user's condition/situation? (Please give as much detail as possible in support of your application)</p>	
<p>Project Details Provide Details of request for funding including costs and confirmation and details of other contributions to support the project</p>	
<p>Public Benefit How will the funds provided benefit the citizens of Birmingham.</p>	
<p>Have you, your organisation or this project previously applied for an award from this Charity?</p>	

<p>Please provide details including date and amount of award.</p>	
<p>Have you, your organisation or this project received any other grant funding? Please provide details including date and amount of award.</p>	
<p>Please provide a copy of your organisations latest audited accounts.</p>	
<p>PLEASE ENSURE EVERY SECTION OF THIS FORM IS COMPLETED ACCURATELY AS ANY OMISSIONS MAY DELAY THE APPLICATION PROCESS BY THE FORM BEING RETURNED</p>	
<p>Please Return Completed Form to</p>	<p>Grants Secretary By email to: financecommunications@birmingham.gov.uk And/or post to: Birmingham Municipal Charity Service Finance 10 Woodcock Street Finance (WS) PO Box 16306 Birmingham B2 2XR</p>
<p>Please feel free to add any additional information that you feel is relevant to the applicant at the end of this form or, if printed, on a separate sheet of paper.</p>	

Funding Criteria

The trusts objectives are of a general charitable nature for the benefit of the citizens of Birmingham.

1.	Grants to be awarded to recipients or beneficiaries who reside within the boundary of the City of Birmingham up to the value of £10,000.
2.	Evidence of tangible “public benefit” to be demonstrated in the Application Form.
3.	Grant Applications will be presented to Trusts and Charities Committee for Approval.
4.	Funding letter to be forwarded to successful applicants.
5.	Applicants to sign offer of funding agreement.
6.	A narrative report to be submitted once the grant provided has been defrayed, confirming the use of funds and public benefit.
7.	Grants awarded to be defrayed in the financial year or within 6 months of approval of funding, unless agreed otherwise.
8.	Spend is for the benefit of the citizens of Birmingham.
9.	Documentary evidence of spend must be provided (for example invoices, bank statements)