

**Birmingham City Council – Council as Trustee**

**PUBLIC REPORT**

<b>Report to:</b>	<b>Trust and Charities Committee</b>	<i>Exempt information paragraph number – if private report:</i>
<b>Report of:</b> <b>Date of Decision:</b>	<b>CHIEF FINANCIAL OFFICER</b> <b>2<sup>nd</sup> December 2020</b>	
<b>SUBJECT:</b>	<b>REVENUE BUDGET MONITORING 2020/21 – QUARTER 2 (TO 30 SEPTEMBER 2020)</b>	
<b>Key Decision: –Yes–/ No</b>	<b>Relevant Forward Plan Ref: No</b>	
<b>If not in the Forward Plan: (please "X" box)</b>	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>	
<b>Relevant Cabinet Member(s):</b>	N/A	
<b>Relevant O&amp;S Chairman:</b>	N/A	
<b>Wards affected:</b>	All	

<b>1. Purpose of report:</b>
1.1 The appendices within this report notes at Appendix1 the Income and Expenditure position for the Trusts and Charities to Quarter 2 (1 <sup>st</sup> April 2020 to 30 September 2020).

<b>2. Decision(s) recommended:</b>
2.1 To note the latest income and expenditure position of Trusts and Charities as at 30 September 2020.

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### **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 and agrees in principle with its contents.

#### **3.2 External**

N/A

### **4. Compliance Issues:**

4.1 The recommended decisions are consistent with the Council policy as part of the role of the Trust and Charities Committee.

#### **4.2 Financial Implications**

There are no financial implications arising from this report.

The financial information provided relates to balances brought forward from 2019/20 and in year movements (2020/21) in expenditure and income. The opening balance as at the 1 April 2020 was £29.750m. Income up to this quarter was £0.332m with expenditure incurred at £0.089m. The closing balance at the end of the quarter 2 (up to 30 September 2020) was £29.993m.

An analysis of income and expenditure for each Trust Fund is shown in Appendix 1.

#### **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 and other relevant legislation and guidance issued by the Charity Commission. The assets of a charity must be used in accordance with charitable law, failing 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 appropriate to 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**

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 second quarter report for 2020/21. The information provided in Appendix 1 identifies income and expenditure for the period ending 30 September 2020.

**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.

	<b>Signatures</b>	<b>Date</b>
Chief Finance Officer	.....	.....
Chairman	.....	.....

**List of Background Documents used to compile this Report:**

1. Information provided by Directorates.

**List of Appendices accompanying this Report :**

Appendix 1 - Quarter 2 Financial Position 2020/21 Trust Funds.