

Cabinet

21 December 2016



Title	Establishment of Mayoral Charity Fund		
Purpose of the report	To make a decision		
Report Author	Terry Collier		
Cabinet Member	Councillor Ian Harvey	Confidential	No
Corporate Priority	This item is not in the current list of Corporate priorities but still requires a Cabinet decision		
Recommendations	That Cabinet approves the creation of a registered charity for the Mayoral Fund. That the Leader of the Council, the Chief Finance Office, and the Community Development Manager be approved as the trustees		
Reason for Recommendation	To enable the Fund to act as Charity and for donors to gift aid and make it more attractive for sponsors to match fund		

1. Key issues

1.1 The Mayor has put forward a proposal that the arrangements for the Mayoral charity funds are set up as a registered charity. This would enable donors to gift aid and will make it easier to persuade sponsors to match fund. Indeed a number of commercial entities have stated that they feel only able to provide support to Mayoral Funds when they are set up as a registered charities. A number of other councils have set up their Mayoral funds as charities.

1.2 The Fund will be registered as a Charitable Trust with the Charity Commission with its objective being:

“to raise money for charities and other good causes as selected each year by the Mayor of Spelthorne. These charities and other good causes must be located and undertake their work within the Borough of Spelthorne, so that the money raised will improve the lives of disadvantaged people within Spelthorne, or otherwise improve the quality of life for people within the borough. The Mayor will chair a Charity Committee, whose members will be appointed each year by the new Mayor. The Charity Committee will raise funds by seeking donations, sponsorship and gifts in kind, as well as organising fundraising events and other activities. All moneys raised during a

Mayoral Year shall be distributed before the next Annual Council Meeting

1.3 As a charity there needs to be a minimum of at least three trustees and it is proposed that the Leader of the Council, the Chief Finance Office, and the Community Development Manager would be the trustees.

1.4 As a charity annual accounts would be published.

2. Options analysis and proposal

2.1 Option 1: Set up a registered charity, which would enable donors to give gift aid and make it easier to attract sponsors to match fund.

3. Financial implications

3.1 The charity will be required to keep proper accounting records during the year to enable it to produce a income and expenditure statement and a statement of financial position to be produced at the of the charity's financial year.

3.2 The Charity Commission requires charities to report their financial results to them as part of the annual returns a charity has to make. If the charity's income is under £10k then limited disclosure is required, but anything over £10k requires more detailed disclosure to the Commission which will be the case for this proposal.

3.3 The charity will be unable to recover any VAT charged on its purchases as it is unlikely that the charity's turnover will exceed the threshold for registering for VAT and therefore this unrecoverable vat amount will become a added expense.

3.4 The charity could voluntary register for VAT which would allow the recovery of Input tax from HMRC, but the downside is the extra admin of completing VAT returns maybe every quarter.

4. Other considerations

4.1 Detail any other considerations to be taken into account, with particular reference to **Equality and Diversity, and Sustainability**, and how these will impact upon the proposals being recommended for approval.

5. Timetable for implementation

5.1 If approved officers will immediately submit an application to the Charity Commission. The objective is to have it up and running in time for the Annual Ball and Ladies Lunch in April.

Background papers: