

<u>REPORT TITLE</u>	Staffordshire Community Foundation – Formal Launch of a Community Fund for the Borough of Newcastle under Lyme
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<u>Portfolio:</u>	Communications, Policy and Partnerships
<u>Ward(s) affected:</u>	All

Purpose of the Report

To report to Cabinet the proposal to formally launch a Community Fund for the Borough of Newcastle under Lyme – in partnership with the Staffordshire Community Foundation (SCF) (who are responsible for the Fund).

Each area in Staffordshire has its own Community Fund, run by the community and held by the SCF on an endowment basis. A number of Staffordshire districts have formally launched their own Community Funds and it is proposed that this is now done for Newcastle under Lyme Borough.

The SCF is seeking the support of Newcastle under Lyme BC for this launch. This report sets out how the Fund works and also outlines the process of launching and administering the fund. The report also covers other possible areas of collaboration between SCF and NuLBC.

Recommendations

- a) **That the Cabinet notes the contents of the report**
- b) **That the Cabinet supports the proposal to launch the ‘Newcastle under Lyme Community Fund’ in January 2014 with the support of all sectors and partners in the Borough**
- c) **That the Cabinet requests further consideration be given to other areas of potential collaboration between the Staffordshire Community Foundation and Newcastle-under-Lyme BC and also agrees that NuLBC offers support to the SCF in arranging fund raising events, raising the profile of the Fund and also in making best use of the Fund to assist local people in the area**

Reasons

Each district/borough area in Staffordshire has its own Community Fund, with the Staffordshire Community Foundation (SCF) legally responsible for each of these funds. A number of areas in Staffordshire have already formally launched their own Funds and the report asks Cabinet to support a formal launch in Newcastle-under-Lyme.

In formally launching the Community Fund for Newcastle under Lyme, the opportunity is provided for organisations across the public/private/third sectors to take decisions on use of the Fund for the local area and also to allow for applications to be made to the Fund, as well as raising the profile of the Fund so as to encourage fund raising to be organised.

The SCF has requested that the Borough Council offer ‘in kind’ support to the Fund in terms of communications/organisation and the Cabinet is asked to support such an involvement.

1. **Background**

- 1.1 The Staffordshire Community Foundation (SCF) is an independent charity “dedicated to strengthening local communities and tackling issues of disadvantage and exclusion”.
- 1.2 The SCF carries out work in a number of core areas, including: -

- Delivering grants on behalf of Government, local authorities and others
 - Building permanent endowments, designed to ensure long-term sources of funding for charities and community groups
 - Develops partnerships to aid people in Staffordshire
 - Provides help to businesses and others to encourage Corporate Social Responsibility
- 1.3 The SCF has undertaken various pieces of work in the past, including the “Boost Initiative” to revitalise dormant and ineffective trusts – thereby bringing them back into use for Staffordshire people.
- 1.4 The SCF also offers a range of other services including support for the administration of existing grants for different organisations.
- 1.5 The SCF, therefore, can offer help with all aspects of grant management, including promoting grants, supporting applications and decision making.
- 1.6 In many cases, as already outlined, existing or dormant funds can be transferred to the SCF who can either continue to administer the funds as they already exist, or include them as part of a wider ‘Community Fund’ for an area. A number of funds previously administered by NuLBC were transferred to the SCF in March 2010 (see details below) based on an agreement signed by both NuLBC and the SCF (see Appendix A).
- 1.7 In doing so, the SCF pledges to contribute match funding – a 50% contribution to the fund.
- 1.8 These funds are managed by the SCF – in cases where the SCF takes over the running of a particular fund (or funds), the Foundation takes a one off set up fee of 5% of fund value, prior to match funding and also takes a fee of up to 2% per annum to cover management costs.
- 1.9 In terms of Community Funds – each area in Staffordshire has its own Community Fund. These are “true community initiatives, run by the community for the benefit of the community” (quote from the SCF).
- 1.10 The governance of the Community Fund for each area is made up of the SCF (who is legally responsible for the Fund); the relevant local authority; representatives of the private sector; and representatives of the local voluntary/third sector.
- 1.11 The Community Fund itself is a permanent endowment fund that will distribute grants to the local area covered. All donations to the Fund are pooled together and invested according to Charity Commission guidelines.
- 1.12 Each year, the interest from the Fund is given away as grants to individuals, community groups and local charities. Only the interest is given away, so the fund remains intact.
- 1.13 The aim of the SCF is to raise around £500,000 over the next five years for each Community Fund in Staffordshire. As each fund grows, then more can be given away as grants.
- 1.14 Donations are sought via fund raising events and other initiatives from local people and local businesses and dormant funds can also be added to the Funds. Dormant funds are often those set up many years before for specific causes which no longer apply.
2. **Issues and Areas for Consideration**
- 2.1 In relation to Newcastle under Lyme Borough, a Community Fund already exists, although it has not been launched formally. The Fund was agreed by NuLBC and SCF in March 2010 (see Appendix A).

2.2 The Fund stands at around £90-100,000. It is made up of a variety of funds from charitable organisations including: -

- John Bentley Charity;
- William Meadon Charity;
- the Mayor's Air Raid Distress Fund; and
- Services Entertainments (1940/45) Fund

These funds were transferred to SCF in March 2010, as confirmed by a decision taken at the Full Council meeting of 31st March 2010.

2.3 The Cabinet is requested to agree that the 'Newcastle under Lyme Borough Community Fund' is launched formally – probably in January/February 2014. A formal launch would raise the profile of the Fund so that groups/individuals can make applications for financial support from it and also that fund raising can be intensified via events and other activities.

2.4 In terms of the launch, the SCF has requested NuLBC support for publicity; use of the NuLBC logo; and an invitation to the launch for interested partner organisations. Beyond the launch, SCF has asked for NuLBC support around events aimed at fund raising; work to raise the profile of the Fund and also to arrange 'award ceremonies' where grants can be publicised thus helping in funding raising and profile raising for the Fund. This assistance would be required on an 'as and when' basis and would probably involve members of staff from Communications and Business Improvement & Partnerships.

2.5 Once officially launched, the SCF would operate the Fund on an 'advised' basis – in other words, a panel would be created that would lead on the fund, made up of equal numbers of representatives from the public, private and third sectors. Each member of the panel would have a link to the Borough and panel members would be appointed by NuLBC.

2.6 Applications for grants from the Fund would be open all year round and applications would be considered by the above panel on a quarterly basis (depending on demand). It is also suggested that the panel act as a strategic body, working with the SCF to plan fund raising and other events aimed at publicising the Fund.

2.7 No financial input is requested from the SCF at this stage – rather the 'in kind' support outlined above is requested.

2.8 As said, the Fund itself is already operating and has funds attached to it. Cabinet may wish to consider, however, whether to add any other existing funds to the Community Fund or request the SCF to administer any existing grant or other kinds of funding on behalf of NuLBC (or any other organisation). If any additional areas are identified by Cabinet as being candidates for transfer to the SCF, then a number of stages need to be gone through, including: -

- Agreement between SCF and any donors
- A formal signed agreement giving details of funds and setting out the SCF commitments and responsibilities
- Establishment of a fund by the SCF (or inclusion in an existing Fund)
- Notice will be provided by SCF to claim match funding to the Community Development Foundation (who hold the balance)
- Applicable funds transferred to the SCF from donor(s)
- Amounts are then registered and match funding claimed by SCF
- Existing fund or charity is then closed as reporting is handled by the SCF
- Meetings on the fund are arranged to assess grant applications

- SCF begins immediate promotion of the fund

2.9 At present, NuLBC manages a limited number of charitable type funds. These include: -

- Newcastle Almshouses Trust – NuLBC currently maintain the almshouses, administer the charity's affairs and maintain its accounts;
- United Charities (an independent charity) – NuLBC administers the charity's affairs and maintain their accounts. Similar comments to Almshouses, although I don't think as much time will be spent on them.

2.10 In both cases listed above, transfer would allow the Council to save on officer time, although other factors (including any charges that the SCF would make and also the fact that both charities are independent bodies free to make their own arrangements) would have to be taken into account.

2.11 Cabinet is reminded that, as set out in the previous section of this report, there is a cost to such a transfer.

3. **Options**

- Option A – that Cabinet support the proposals set out in this report, to formally launch the 'Newcastle under Lyme Community Fund' and to work with the SCF in raising funds for the Fund in the future, together with examining other areas either for inclusion in the Community Fund and/or for the SCF to manage on behalf of NuLBC (Recommended)
- Option B – that Cabinet does not support the proposals in the report, thereby potentially losing the opportunity to make use of an existing Community Fund and also lose the opportunity of increasing the size of the Fund (Not Recommended)

4. **Proposal**

4.1 It is proposed Cabinet consider the report and agree to the proposals set out for a formal launch of the 'Newcastle under Lyme Community Fund'.

4.2 Cabinet are also asked to support the proposal that NuLBC works with the SCF to raise further funds for the Community Fund and raise its profile.

4.3 Finally, Cabinet are asked to support the proposal to examine other funds to see whether they can be managed by SCF and/or included in the Community Fund.

5. **Reasons for Preferred Solution**

5.1 The formal launch of the 'Newcastle under Lyme Community Fund' will raise the profile of the Fund and encourage donations to it. This will then allow more financial support to be provided to groups, organisations and individuals in the area. Ongoing work with the SCF will allow for further development of the Community Fund and also potentially uncover other areas which can be included in the Community Fund and/or be managed by SCF in the future.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

6.1 The Strategy has potential to help deliver key outcomes across all the priorities of the Borough Council.

7. **Legal and Statutory Implications**

7.1 None in terms of the launch of the Community Fund – Legal input will be required if any further funds are transferred to the SCF.

8. **Equality Impact Assessment**

8.1 An Equality Impact Assessment is being developed.

9. **Financial and Resource Implications**

9.1 There are resource implications in terms of assisting the SCF in the launch of the Community Fund for the Borough such as staff time. There are no financial implications at this stage, although this would change if the SCF was asked to manage other funds currently administered by NuLBC.

10. **Major Risks**

10.1 The major risk with the immediate proposal is that a launch does not fulfil the stated objectives of encouraging greater fund raising and an increased Community Fund. This risk is mitigated to some extent by the involvement and experience of the SCF.

11. **Sustainability and Climate Change Implications**

11.1 No direct implications.

12. **Key Decision Information**

12.1 This item is included in the Forward Plan.

13. **Earlier Cabinet/Committee Resolutions**

Report to Full Council (31st March 2010) – ‘Transfer of Charity Funds to Staffordshire Community Foundation’

14. **List of Appendices**

Appendix A – The Newcastle under Lyme Community Fund (Agreement document) August 2010

15. **Background Papers**

15.1 None