
Subject: THE SIR ERNEST BRUCE CHARLES CHARITY (CHARITY NO. 1021750)

Meeting and Date: Cabinet – 4 September 2017

Report of: Mike Davis, Director of Finance, Housing and Community

Portfolio Holder: Executive - Charity

Decision Type: Non-Key

Classification: Unrestricted

Purpose of the report: To determine the preferred use of the distributable funds of the Sir Ernest Bruce Charles Charity (SEBCC).

Recommendation: That Cabinet (acting as trustee for the Sir Ernest Bruce Charles Charity) approves the approach for the future administration of the Charity as outlined in Option 2.

1. Summary

1.1 The Council is the trustee of The Sir Ernest Bruce Charles Charity (SEBCC). Under the Council's leader and executive model of governance, the Council's functions as trustee fall to be discharged by the Cabinet. There is currently no formal process for using of the funds of the SEBCC, and none of the funds available for use by the Charity have been expended since grants were last awarded in 2009. Cabinet has previously requested that the approach to using the charitable funds be explored, and a formal process agreed.

1.2 **Cabinet is reminded that, in discharging functions in relation to charities the law requires members to put aside their aspirations for the Council in a corporate sense and to act solely in the best interests of the charity. The Cabinet, (acting as trustee), is required to act reasonably and prudently in all matters relating to the charity and to act with the same degree of care and skill as a prudent person or business would exercise in the management of his or her own affairs or those of someone else for whom they had responsibility.**

2. Introduction and Background

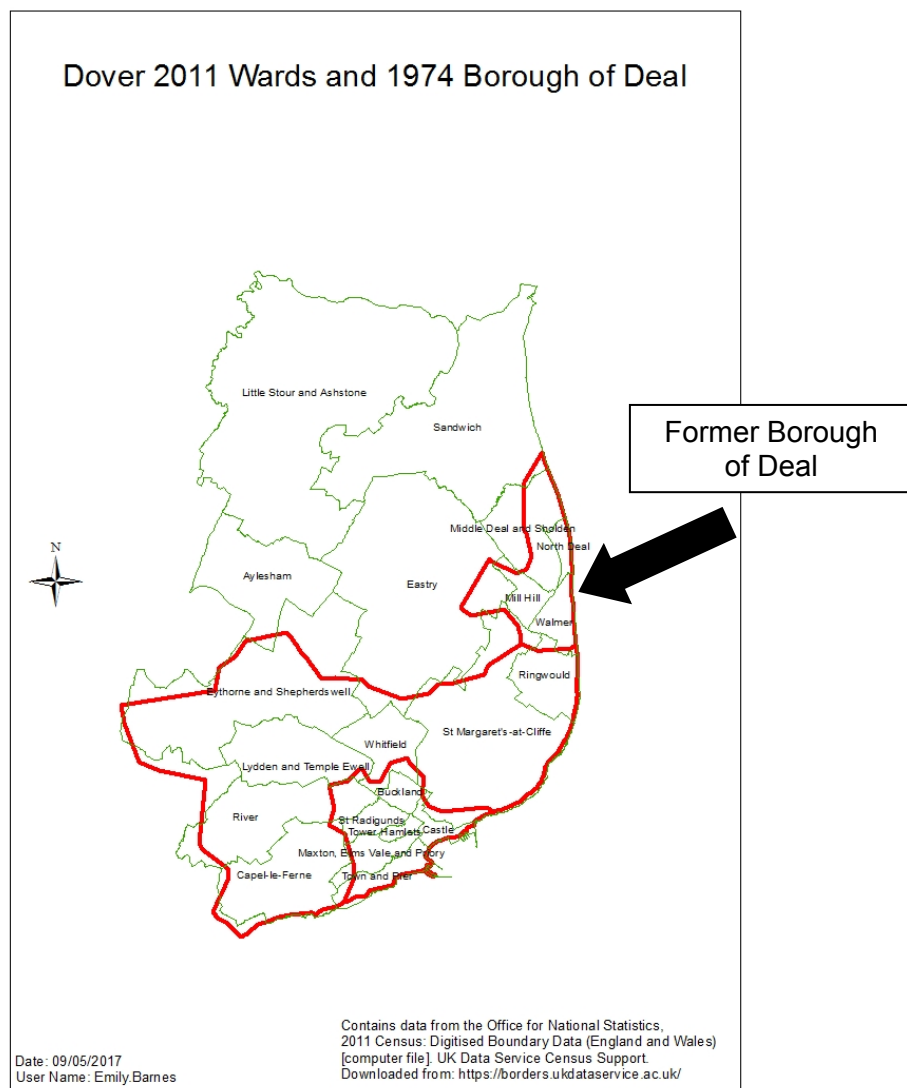
2.1 The history of SEBCC is complex. For present purposes it is sufficient to note that the Charity operates in accordance with a Scheme made by the Charity Commission on 13 August 1991.

2.2 The objects of the Charity are effectively set out in clause 5 of the Scheme which provides that *"The Trustee shall apply the income of the Charity for such charitable purpose for the general benefit of the inhabitants of Deal and the surrounding areas thereof as the Trustee shall from time to time think fit."*

2.3 The main element of the Trust Fund is a £50,000.00 investment, generated from the sale of a property in 1991. The income available to the trust for expenditure on the charitable objective derives from interest earned on this investment.

2.4 The Charity is currently holding accumulated income of £19,100.38 which is available for distribution. The accounts of the Charity are included elsewhere on the agenda.

- 2.5 The objectives of the Charity state that *“the Trustee shall apply the income of the Charity for the provision or to assist in the provision of facilities for recreation or other leisure-time occupation in the interest of social welfare and improvement of conditions of life for the inhabitants of the area of the former Borough of Deal”*¹.
- 2.6 The boundary of the former Borough of Deal included the current DDC Wards of Walmer, Mill Hill, North Deal, large parts of Middle Deal and Sholden, and also some parts of Eastry, Sandwich, St Margarets-at-Cliffe and Ringwould and the villages of Mongeham and Sholden.
- 2.7 **Map of the 1974 Borough Boundaries and the 2011 Dover Ward Boundaries**



- 2.8 The last expenditure of the funds of the Charity was a grant approved by the trustees 30 October 2009.
3. **Identification of Options**
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- 3.1 Option 1: Establish and deliver a small grants scheme to distribute the total amount of the accumulated distributable fund in one round. Then suspend the scheme to allow the charitable funds to replenish to an agreed level before reopening the scheme.
- 3.2 Option 2: Establish and deliver a small grants scheme to distribute the accumulated distributable fund over a 3 year period i.e. 3 grant rounds. The level of grants allocated not to exceed £6,000 pa. Once the available funds have been allocated (estimated 2019 after 3 rounds of funding) a break will be taken until the funding pot has been replenished through the accrual of interest.
- 3.3 Either option would adopt the delivery framework used for the DDC Community Grants programme to support the Cabinet in administering the grants programme but with clear SEBCC branding. The Trustees would make recommendations to Cabinet, (sitting as trustee), who would make the final decision on the award of all grants.
4. **Evaluation of Options**
- 4.1 The table below sets out the key benefits and risks for each of 2 options listed above. As the benefits and risks are similar for both options, the key differences have been italicised.

1	Establish and deliver a small grants scheme to distribute the total amount of the accumulated distributable funds of the charity in one round.	
	Benefits	Risks
	<p>Additional grant funding made available to projects in the Deal & Walmer area.</p> <p>The existing DDC Community Grant Scheme Process can be adapted in a way that also retains the identity of the Charitable Trust.</p> <p>The DDC Community Grants Process is already well established and understood.</p> <p>The Charitable Trust Fund retains its unique identity within existing process with Charitable Legacy recognised through branded Delivery of a high profile grant scheme.</p> <p><i>Ensures that distributable funding is wholly allocated in the short term and the objects of the Charity fulfilled.</i></p> <p><i>Would minimise resource requirement in administration in that there would only be one grant round in a three year period.</i></p>	<p>Potential to raise unrealistic expectations for future access to grants in future.</p> <p>Potential for public disappointment and negative publicity once the grant fund has been used up and is no longer available and there is a break whilst the distributable funds in the funding pot are replenished.</p> <p>Potential to encourage a funding rush with increased risk of applications for unsustainable projects.</p> <p>Potential conflict with other available small grants that are available. In particular, this could reduce the number of applications received to the annual DDC Community Grants in this year.</p>

2	Establish and deliver a small grants scheme to distribute the accumulated distributable fund over a 3 year period i.e. 3 grant rounds.	
	Benefits	Risks
	<p>Additional grant funding made available to projects in the Deal & Walmer area.</p> <p>The existing DDC Community Grant Scheme Process can be adapted in a way that also retains the identity of the Charitable Trust.</p> <p>The DDC Community Grants Process is already well established and understood.</p> <p>The Charitable Trust Fund retains its unique identity within existing process with Charitable Legacy recognised through branded Delivery of a high profile grant scheme.</p> <p><i>Has the potential to smooth a potential funding rush in that grants will be available for 3 year period.</i></p>	<p>Potential to raise unrealistic expectations for future access to grants in future.</p> <p>Potential for public disappointment and negative publicity once the grant fund has been used up and is no longer available and there is a break whilst the distributable funds in the funding pot are replenished.</p> <p>Potential to encourage a funding rush with increased risk of applications for unsustainable projects.</p> <p>Potential conflict with other available small grants that are available. In particular, this could reduce the number of applications received to the annual DDC Community Grants in this year.</p> <p><i>Delays the distribution of the funding for its intended purposes.</i></p> <p><i>Would require additional resources to administer 3 grant rounds over a three year period</i></p>

5. Resource Implications

- 5.1 Depending upon which option is chosen, the whole (or substantially the whole) of the distributable fund will be exhausted within either one year or 3 years. With rates of return at an historical low, it will be slow to replenish. Council staff will undertake the administration of the grants but it is proposed that the cost of their time will be borne by existing Council budgets so as not to impact on the funds of the Charity.

6. Recommendations

- 6.1 To agree the implementation of Option 2.

7. Corporate Implications

- 7.1 Comment from the Section 151 Officer: The Director of Finance, Housing and Community has been consulted in the preparation of this report and has no further comments to make (MD).
- 7.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.
- 7.3 Comment from the Equalities Officer: This report does not specifically highlight any equality implications, however in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

8. Background Papers

DDC Community Grants Process

SEBCC Deed sealed by the Charity Commission on 13th August 1991

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