

COUNCIL	AGENDA ITEM No. 13(d)
17 DECEMBER 2015	PUBLIC REPORT

REGISTRATION OF THE MAYOR'S CHARITY WITH THE CHARITY COMMISSION

R E C O M M E N D A T I O N S
FROM : Director Governance
<p>That Council resolves to apply to the Charity Commission:</p> <p>a) for charitable status of the Mayors Charity; and b) to appoint the role of the Mayor as trustee of the charity.</p>

1. PURPOSE AND REASON FOR REPORT

- 1.1 The Mayor's charity is a long established tradition involving the Mayor and the Mayor's charity committee in organising and participating in a wide range of fundraising events, during the Mayoral year. The proceeds are gifted to a charity or charities of the Mayor's choice. At present the Mayor's charity is not registered with the Charity Commission. The Mayor's charity has an annual income in excess of £5,000, therefore to ensure compliance with the Charities Act 2011 it is required to register with the Charity Commission.
- 1.2 Registering the Mayor's Charity with the Charity Commission will ensure the charity fulfils its legal obligation.

2. BACKGROUND (& CONSULTATION)

- 2.1 The purpose of the Charity Commission is to register eligible organisations which are established only for charitable purposes and to regulate charities to ensure that the public can support charities with confidence. The Charity Commission also ensures charities meet their legal requirements, makes the appropriate information about each registered charity widely available and provides online services and guidance to help charities run as effectively as possible.
- 2.2 There are considerable benefits associated to registering the Mayor's charity with the Charity Commission. These include:
- Registered charities are readily recognised and enjoy considerable support from funders and other potential supporters. Registration will make the public aware of the charity's status and its regulation, enhancing the public's recognition and trust of the charity.
 - Registered charities can benefit from a variety of tax reliefs when registering their status with the Commission. These tax reliefs include Gift Aid relief on donations from individuals.
 - Charities that have registered with the Charity Commission can be eligible for certain sources of grant funding that are open only to organisations with charitable status.
- 2.3 The Director of Governance, Legal Services and the Mayor's Charity Committee have been consulted throughout the review of how to register the charity with the Charity Commission and obtain registered charity status.
- 2.4 The implications and requirements to facilitate this registration are outlined within the following section.

3. IMPLICATIONS

3.1 Registration of the Mayor's charity with the Charity Commission can be completed within 30 days. Subsequent to registration there are several steps which must be taken and completed, which will form part of the registration process.

3.1.1 The charity's purpose

It is a legal requirement that the charity will be run in a way that's consistent with and supports its purpose. The charity's purpose is what it is set up to achieve, the reason it exists. The charity's purpose is important as it will assist the Charity Commission to decide if the Mayor's charity is a charity and HMRC to decide if the charity qualifies for tax relief. It also explains to those who run, support or benefit from the charity what it does and who it helps.

The Mayor's charity will define its charitable purposes for the public benefit as *'Income generated through fundraising events throughout the city of Peterborough which are organised by the Mayor's charity and from donations by individuals and local organisations. The income is applied to support the Mayor's nominated local charitable organisations based locally within the city of Peterborough or any other charitable projects which the Mayor's charity deem worthy and to promote such other charitable purposes as may from time to time be determined'*.

3.1.2 The charity's name

A name must be selected by those responsible for running the charity and it is this name which will be registered with the Charity Commission. The Charity Commission's guidance recommends a unique, name and further to consideration of this the Mayor's charity has decided upon 'The Mayor of Peterborough's Charity Fund'.

3.1.3 The charity's structure

In order to register the charity it must be decided what sort of legal structure the charity will adopt. The type of structure chosen affects how a charity will operate and will be defined by its 'governing document'.

After careful consideration, the structure chosen for the Mayor's charity will be that of an unincorporated association. This was considered the appropriate choice due to the charity:

- being relatively small in terms of assets;
- to be run by charity trustees who will be appointed to hold office for fixed terms;
- taking account of the views of local organisations through membership or as users; and
- carrying out its work wholly through the voluntary effort and contributions of its members.

3.1.4 The charity's governing document

The charity's structure will be defined by its governing document, the legal document that creates the charity and says how it should be run. The type of charity structure selected determines the type of governing document. An unincorporated association will adopt a constitution as its governing document.

The charity's constitution will set out its name, its charitable purposes ('objects'), what it can do to carry out its purposes ('powers'), who runs it ('trustees') and who can be a member (if appropriate), how meetings will be held, how many trustees to appoint and how, whether the trustees can change the governing document, including its charitable objects ('amendment provisions') and how to close the charity ('dissolution provisions').

3.1.5 The charity's trustees

The charity's trustees are those will serve on the governing body of the charity and will make decisions about how to run the charity. The trustees will be responsible for the general control and management of the administration of the charity, ensuring it is solvent, well-run and meets the needs for which the charity is set up.

The trustees will ensure that the charity complies with charity law, and with the requirements of the Charity Commission as regulator. They will also ensure that the charity does not breach any of the requirements or rules set out in its governing document and that it remains true to the charitable purpose and objects set out there, whilst acting with integrity, and avoid any personal conflicts of interest or misuse of charity funds or assets.

The charity structure selected by the Mayor's charity requires the number of trustees to be not less than three and to have a chair, a secretary and a treasurer. The charity structure chosen can appoint charity trustees to hold office for fixed terms. For the current mayoral year the charity trustees of the Mayor's charity will be the Mayor, Councillor John Peach; the chairperson of the charity, Councillor Bella Saltmarsh and the secretary and treasurer of the charity, Helen Sargent.

The Mayor, as trustee, will hold office for a fixed term in accordance with the Mayoral year and the process will be repeated as each new Mayor is appointed. The charity's governing document will outline how trustees are to be appointed and it will be recognised that some trustees are appointed because of an office which they hold (known as ex officio trustees), as will be the case of the Mayor. At the commencement of each Mayoral year, the new Mayor's appointment as trustee of the charity will be notified to the Charity Commission.

3.1.6 Requirements post registration

Once the Mayor's charity has registered with the Charity Commission and received a charity registration number, there are certain requirements which must be completed annually.

The Mayor's charity will be required to submit an annual return to the commission if its income is over £10,000 and also be required to keep the charity's registered details current. No annual return is required for income below £10,000. This will be the responsibility of the charity.

The charity's annual return must be sent within 10 months of the end of the financial year, otherwise risk being marked 'overdue' on the commission's register. Additional information will be required if the charity's income is over £25,000, e.g. the charity's accounts, an independent examiner or auditor's report and a trustee's annual report.

Subsequent to registering the Mayor's charity with the Charity Commission the charity will get recognition for tax purposes. In order to get certain tax reliefs the charity must be recognised by HMRC, which can only be completed once the charity has been registered with the Commission. The Mayor's charity will be entitled to claim back tax that's been deducted on bank interest and donations, also commonly known as Gift Aid.

4. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

None.

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