

## Appendix C

### CITY OF LEEDS COMMUNITY FUND

Parties:

- a. The Community Foundation for Leeds whose Registered Office is at: 1<sup>st</sup> Floor, 6 Lisbon Square, Leeds LS1 4LY ("CFFL" or "The Foundation")
- b. Leeds City Council, Civic Hall, Leeds LS1 1UR ("the Council")

This Agreement sets out in detail how the City of Leeds Community Fund ("The Fund") will be managed by the Foundation.

#### LEGAL & GOVERNANCE

1. The Community Foundation for Leeds is registered with the Charity Commission (registered charity number 1096892). It has the power to receive funds and make grants in support of charitable activity.
2. All donations to the Foundation shall be used for charitable purposes according to the Law of England & Wales.
3. The Trustees of the Foundation may make changes to this agreement from time to time, but will consult Leeds City Council before so doing.
4. The Fund's charitable objectives can be varied by mutual agreement at any time in the future. Two months notice should be given, by either side, of any intention to vary or amend the objectives. In line with Charity Commission requirements under the 1993 Charities Act, interest derived from endowment funds emanating from former dormant and or frustrated funds can only be used broadly in line with the original purpose. Any such changes to this Agreement will need to take that into account.
5. The Foundation shall not assign or transfer this Agreement, or any part of it, or sub-contract, except with the consent of the Council and upon such conditions as the Council may think fit, having regard to all relevant legislation.
6. The working and the provisions of this Agreement shall be reviewed at intervals of not less than every three years, beginning with the date of this Agreement.
7. The Council will appoint a named representative who will be responsible for liaising with the Foundation regarding the ongoing management of The Fund.

#### FUND DETAILS

8. NAME. A Fund will be set up within the Foundation and will be known as 'The City of Leeds Community Fund' (The Fund).
9. AREA OF BENEFIT. Donations will be made to voluntary, community and faith-sector groups and charities based in, or primarily benefiting the Metropolitan District of Leeds.
10. CAUSES TO BE SUPPORTED. The Fund will be able to support a wide range of causes with the primary focus on meeting social needs. It will follow the overall priorities, guidelines and exclusions which apply to the Foundation's general grant-making as detailed in Appendix One.

11. SIZE. The Fund will focus on making small/medium sized grants, subject to a minimum of £250 and a suggested maximum of £5,000. This may be varied at a future date to keep pace with inflation. The upper limit of grants can be varied by mutual agreement.
12. FREQUENCY. Grants will be awarded from The Fund quarterly with the intention of spreading grant awards throughout the year.

### **BUILDING THE FUND**

13. CREATION. The Fund will be created by the transfer of property (in the form of cash or financial investments) obtained following the liberation of Dormant and Frustrated Trust Funds from the Council.
14. TYPE. The Fund will be a combined Fund. £xxxxx will be transferred in the form of permanent endowment. The interest earned on this investment will be available for distribution to support qualifying projects. £xxxx will be transferred in the form of flow-through funds, with the intention of spending the capital (and any interest accruing) over a 3-year period. Any funds not spent in any one 12-month period will be carried forward to the following year.
15. GROWTH. From time to time the Council may choose to supplement the Fund with further payments, from the transfer of other, identified redundant or frustrated trusts or other sources of income as may be appropriate. The Foundation will also seek to grow the Fund through a variety of methods that will, from time to time, be initiated.
16. INVESTMENT. The monies of The Fund will be held by the Trustees of the Foundation and invested according to the powers set out in the Foundation's Investment Policy. The aim of the Policy is to generate an annual income for grant-making and is reviewed annually. The Fund may be pooled for the purpose of investment with other funds held by the Foundation.
17. SPECIAL CONDITIONS. The guidelines of the Fund as detailed in Appendix One below are broadly in line with the original objectives of the individual Trust Funds that are being transferred. Where any special conditions need to be taken into account (i.e. specific beneficiaries / areas of interest) these will be covered in an addendum to this agreement.

### **GRANT MAKING**

18. PROMOTION. A promotional document outlining the terms and conditions of the Fund shall be produced. This will be made available via a range of methods: on the Foundation's website; on the Leeds City Council website; on a new funding website to be launched in June called [www.fundsinleeds.org.uk](http://www.fundsinleeds.org.uk); and via voluntary sector newsletters, email bulletins and other sources. The document will explain the purposes of the Fund and give details of the grant application process and future grant panel deadlines.
19. ASSESSMENT. Any groups requesting a grant from The Fund will be invited to submit a full application to the Foundation which will be subject to our standard internal assessment procedures. This covers a range of due diligence checks. The Foundation reserves the right to make further enquiries about the applicant which might include – phone calls, project visits, requests for references etc. This assessment will take place before any group is submitted to The Fund for approval.
20. GRANTS PANEL. A number of applications will be short-listed and presented to a City of Leeds Grants Panel that will meet regularly. This will consist of 8-10 people to include: 2 trustees of the Foundation; 2 representatives of Leeds City Council; 4-6 people to be recruited. Both the Council and the Foundation will each be invited to nominate 2-3 people to sit on the panel who may be known to them or selected by means of open recruitment. Any such appointment will be based on: their willingness to attend regular panel meetings;

their prior experience of grant-making; and their knowledge and understanding of the needs in Leeds.

21. FINAL DECISIONS. The trustees of the Foundation are ultimately responsible for all grants made and have the right to over-turn any decision made by the Grants Panel if they do not believe the application meets the charitable objectives of the Foundation.
22. MONITORING. All grants awarded from The Fund will be monitored in accordance with the Foundation's best practice. This will monitor how the Group spent the grant and the positive impact it has had on the group, the beneficiaries and the wider community.

## **MANAGEMENT SERVICES**

23. The services provided by the Foundation will include:
  - Receiving payments into The Fund and reclaiming any tax due
  - Advertising The Fund to potential beneficiaries through a range of means including the media, direct mail and by working with community development agencies
  - Providing necessary information & support to potential applicants
  - Assessment of grant applications
  - Issuing of payments in line with the terms of this Agreement
  - Providing feedback on the progress of the group in spending the grant, including end-of-project monitoring information
  - Providing regular statements of the Fund to include information as outlined in Appendix 2
  - Arranging 'appropriate' publicity from time to time for the Fund and the projects it supports
  - Recruiting and training Grant Panel members and supporting and administering meetings of the Grants Panel
  - Providing copies of the Foundation's annual report, newsletters and other publications
  - Financial management, accounting and ensuring independent auditing
24. The Fund will be separately identified in the Foundation's Annual Accounts & Report and will also be listed on the Supporter's page of the Foundation's website. All monies held within The Fund will be applied to the above charitable objectives with the exception of the Foundation's administration fee. This will be levied from the Fund and included in the Annual Fund statement which will be sent to named people within the Council.
25. The Foundation will fulfil all necessary accounting, audit and reporting responsibilities, including submission of relevant information to the Inland Revenue and Charity Commission.
26. A separate fund statement of The Fund will be submitted annually, by 30<sup>th</sup> April in respect of the year to 31<sup>st</sup> March. This will include: the capital (market) value of the Fund; additions to the Fund during the year; donations made from the Fund's distributable income; and charges made for administration.
27. In order to meet the costs of managing the Fund, the Foundation will be entitled to levy its standard annual fees. All endowment funds incur an annual operational charge of 1% of the market value of the Fund as at 31 March each year. The management and administration of the flow-through will incur a fee of 10% on all donations made into the Fund. This fee covers the provision by CFFL of the services outlined above.
28. The cost structure will be reviewed formally on a bi-annual basis and / or on a "case of need basis" should the Fund attract additional, significant investment.

Signature.....

Sally-Anne Greenfield  
Chief Executive  
Leeds Community Foundation

Signature.....

*“Representative’s name”*  
*“Position in company”*  
*“Company name”*

*DATE*

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## **Appendix One City of Leeds Community Fund**

In line with Charity Commission requirements under section 74 or 75 of the 1993 Charities Act, interest derived from endowment funds emanating from former dormant and or frustrated funds can only be used broadly in line with the original purpose.

### **Proposed Fund Criteria**

It is proposed that criteria identified within the themes of the Council's Local Strategic Plan are adopted to ensure that the impact of the Fund is maximised across all areas of the community within Leeds. As a consequence the following themes are to be included:-

- Safety, including crime and disorder
- Sustainable neighbourhoods including the environment and housing
- Prosperity, skills and jobs
- Lifelong learning including early school years
- Transport
- Health and healthy living
- Culture, sports and arts
- Community cohesion including issues of race and disability

Where the Funds to be liberated arise from the Education sector it is proposed to support the following projects provided they are not within statutory provision:

- Youth Projects
- Early years projects
- School based projects including health and healthy living
- Educational attainment projects including lifelong learning
- Education inclusion projects

### **Beneficiaries**

The Fund will support registered charities **and** not-for-profit groups with charitable, educational or benevolent aims. It will prioritise projects that:

- Are run by local people, for local people in Leeds
- Are relevant to local needs and have a direct impact on the community
- Support disadvantaged communities
- Help people in greatest need
- Can demonstrate that there is a need for the project or activity
- Help people to help themselves

### **Exclusions**

Applications **cannot** be made where:

- projects have already taken place or applications for retrospective funding
- activities would normally be funded from statutory sources e.g. Social Services, local or central Government, Local Education Authority
- projects are primarily for the advancement of religion or politics (though we do fund community groups operating out of faith centres)

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