

CT BRIEF CHARITIES

No. 2 June 2017



Vicky Browning CEO, Acevo
Cause for optimism?



“Over the past few years, the affairs of the charity sector have not always made for easy viewing. The collapse of Kids Company, concerns about fundraising practices and questions about how charity funds are spent have all contributed to a fall in public trust in charities. Alongside this, in the last decade the sector has been dealing with conflicting challenges of stagnating income and rising demand. And to cap it all the decision to exit the European Union introduced new complexities and uncertainties that few were prepared for.

Given all of this, it was concerning but not necessarily shocking that the Charities Aid Foundation’s Social Landscape report, released last month, found that only 47% of charity leaders are feeling optimistic about the future of the sector. I have to say, though, that I am firmly within this minority.

Reasons to be optimistic

Given all the challenges I’ve just outlined, you’d be justified in asking what leads me to this conclusion. A significant part of that optimism comes from the knowledge that the charity sector is over a millennium old and is as intertwined and integral to our society as business. Partly, of course, it is because of the resilience, brilliance and determination of the charity leaders, staff, trustees and volunteers I meet every day. But it is also because I’m starting to feel a shift in the political weather.

Only six weeks ago, a group of peers – drawn from across party lines – described charities as “the eyes, ears and conscience of any society” and said they “inspire and innovate, and through their advocacy help shape our laws, government policies and society as a whole”. This endorsement comes from the heart of our political system and it is the first time in what feels like a very long time that national government has so warmly acknowledged the huge value of civil society.

The House of Lords report made 47 substantial recommendations, and even though I do not expect them all to be realised, if even a fraction of these were to be implemented, it would make a significant difference to the sector. For example



Charities have been subject to negative headlines

reforming the commissioning process would not only bring income (and work) to the sector, but would help reduce the cost of bidding for government contracts.

Don’t be complacent

But this doesn’t mean charities should be complacent. While government undoubtedly has the power to make the operating environment of charities much easier or much harder, there is still a significant amount that charities can achieve themselves. When things

have gone wrong over the past few years, we’ve moved to fix them.

When concerns about fundraising surfaced, the sector acted swiftly to strengthen self regulation through the formation of the new Fundraising Regulator.

While Kids Company remains an archetype of bad management, the closure of 4Children showed that it is possible to go out with grace.

With political and economic uncertainty and confidence in the sector still recovering, we can’t afford things to go wrong again. That’s why this matters, and it’s why political support is so important right now, and why we need to act to take advantage of it.

The Lords Committee on Charities identified the need for more training within the sector, for improved volunteer management, for better governance. Where we can, ACEVO is working on delivering this. The sector isn’t perfect, and we all need to do our bit to change that.

To discuss the issues raised in this article, email zina.smith@campbelltickell.com

“A group of peers – drawn from across party lines – described charities as ‘the eyes, ears and conscience of any society’”

THIS ISSUE

Welcome to the second issue of the CT Charities Brief, our newsletter to highlight current issues and challenges for the charity and voluntary sector. We hope you enjoy reading!

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Helen Marshall chief executive, Brook
Mission adaptable



“What do all charities have in common? They exist because of the passion and vision of determined individuals who identify a societal need or failing and create a solution to improve the lives of those affected. Brook is no exception. In 1964, Helen Brook created a pioneering health service for unmarried women for whom it was unlawful to access contraception. Despite fierce opposition, Helen was courageous in her mission and blazed a trail at a time when not only the law, but also societal stigma, dictated that these young women should be denied such services.

Mission

The same courageous spirit and values of founders are often woven into the fabric of charities such as Brook. It is what makes them unique but it doesn't mean their mission can or should stand still.

Fast forward to 2017 and, thankfully, providing unmarried women with contraception is both legal and stigma-free. It could be argued that Helen Brook's original mission was accomplished. As such, Brook's mission has adapted to reflect

changing times and now focuses on the wellbeing and sexual health needs of under 25s of any gender.

Challenging environment

But this is not the only type of change that charities may need to weather. The political and economic environment has become increasingly challenging for non-profit organisations. Many charities, national and local, are operating with reduced income and increased demand on their services. It is therefore more important than ever that governance is robust and diverse, and that staff are able to provide the range of skills needed for the organisation to thrive with limited resources. During these challenging times it is important for charities to focus on their reason for being and to check that this is still relevant.

Evaluate your key messages

A clear mission and considered values are essential to providing a solid foundation for

any organisation. These key messages should be embodied and communicated by employees at all levels to ensure a consistent and united focus, and

must be regularly evaluated, scrutinised and updated to reflect change.

Adapting to external challenges also demands that a charity's board of trustees is fit for purpose, skilled and able to take tough decisions.

It is unlikely that the requirements of your beneficiaries today are the same as they were 10 years ago, and therefore stands to reason that your trustees should not be either. It is a brave board that proactively decides their beneficiaries' best interests could be met elsewhere or through merger.

Involving your beneficiaries is instrumental to your success. Brook ensures its work is underpinned by the views of young people and involves them at the highest level.

This includes contributing to Brook's strategic development, policy review and business planning, as well as being active and equal members on Brook's board of trustees. Co-designing our programmes with young people and listening to their feedback has undeniably contributed to 53 years of leadership in our field.

In summary, it can be said that honouring the spirit of a founder's vision requires agility, flexibility and courage. It is crucial to measure and evaluate your impact regularly to identify whether you are focusing your efforts on those who need you most in the current socio-economic climate.

You should be prepared to update your mission and strategic aims accordingly if you are no longer operating as effectively as you once were, or perhaps to have those uncomfortable discussions about why you exist.

No matter what hurdles are faced by third sector organisations, your beneficiaries' best interests must be firmly entrenched at the heart of what you do, from decision-making to service delivery.

“A clear mission and considered values are essential to providing a solid foundation for any organisation”



To discuss the issues raised in this article, email zina.smith@campbelltickell.com



Radojka Miljevic partner, Campbell Tickell
Against the odds



“At a time when the state is shrinking and withdrawing from service provision, a vacuum – a chasm sometimes – is left for those who are vulnerable, voiceless or simply outside the conventional mainstream.

Arguably, no democracy can be properly sustained without the existence of an active civil society holding it to account, acting as a conduit between public and policy interests, and forcing government to engage with inequality of every kind. Charities have an important role to play in this space as protectors of the public good, but need more support if they are to survive and deliver it.

House of Lords report

The House of Lords cross-party committee’s report on charities, Stronger Charities for a Stronger Society, is therefore a welcome warm arm around the shoulder of the sector at a time when the vogue publicly has been to focus on failures and reputational challenges. Against a background where tumultuous change is “likely to become the norm” (less “strong and stable”, more “how we can support you to be strong when all around you is unstable”) there is encouragement to charities to demonstrate more collective confidence in how well they perform.

This report reminds us that charities, and the trustees stewarding them, are doing work of real value. And they do this with some steadfastness against unenviable odds in terms of the challenges of the operating environment.

From my own experience of trusteeship of a very small charity no longer receiving funds from the local authority, a range of factors combine to take their toll on everyone’s enthusiasm and energies: the realities of larger contract commissioning, the focus of grant conditions on project-specific activities rather than covering core costs, and the ongoing treadmill of fundraising and bid writing by both trustees and staff simply to stay afloat.

Importantly, the report asks that public sector commissioners behave reasonably and scope core costs into their contracts, that government supports the development of consortia for bidding purposes and that contracts protect smaller charities from exploitation by larger contracting ones.



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Improving governance

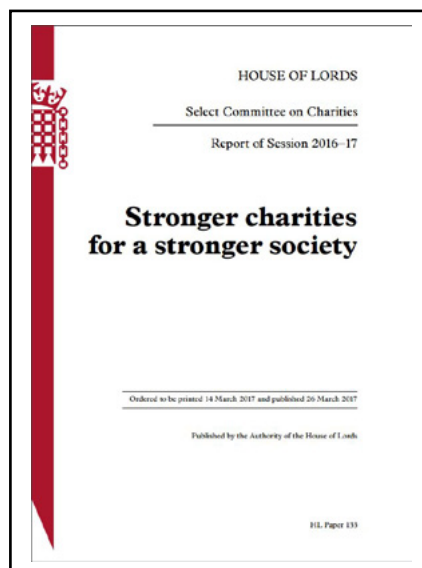
In line with trends in other sectors, the report highlights the need for governance to improve in the charity sector. The already fertile ground in which to plant the new Code of Charity Governance when finalised is further readied by the report’s support – together with the Charity Commission’s – for recognising the code as the benchmark for governance in the sector. It’s perhaps a reflection of where the sector currently is that the need for induction, trustee skills and learning, and board diversity and renewal – as well as transparency – needs to be spelled out in a report like this.

One criticism is that the thorny issue of whether trustees should be paid receives rather cursory attention and doesn’t seem fully to examine the arguments for and against. The role of the “volunteer” trustee would merit some exploration when it’s sometimes used as a defence for what doesn’t get done or considered.

But perhaps we need to balance the report’s light treatment of this area with the championing of volunteerism elsewhere: of interest is the innovative proposed initiative to encourage employers to recognise the value of trusteeship in the personal development of their staff and for government to consult on a statutory duty to facilitate that mechanism.

The prospect of mergers is considered as a reasonable strategic response to duplication and increasing impact, though some of the evidence highlights that many appear to arise from financial distress and that charities are having to use their reserves to sustain services.

While the report is a hugely welcome attempt to support, stretch and challenge charities, it is also a portrait of how our world is changing – fewer grants, big contracts, smaller charities used as “bid candy” by lead providers and payment by results. The “big society” was in some ways a laudable aspiration, but this report serves to remind us how increasingly removed we are from it.



Source: Stronger Charities Report - House of Lords

To discuss the issues raised in this article, email radojka@campbelltickell.com



Pippa Knott head of networks, Youth Impact

Impact measurement: Why, exactly?



“The arguments for why charities should measure the impact of their work are well rehearsed. Some say that charities must measure impact to be accountable to existing funders, or able to market their work to new ones – both pragmatic responses to external context. Others set out ethical responsibilities to understand and improve interventions (and stop anything that isn’t working), or to support beneficiaries to reflect on their own progress. Others again are interested in increasing sector-wide knowledge about society and social programmes.

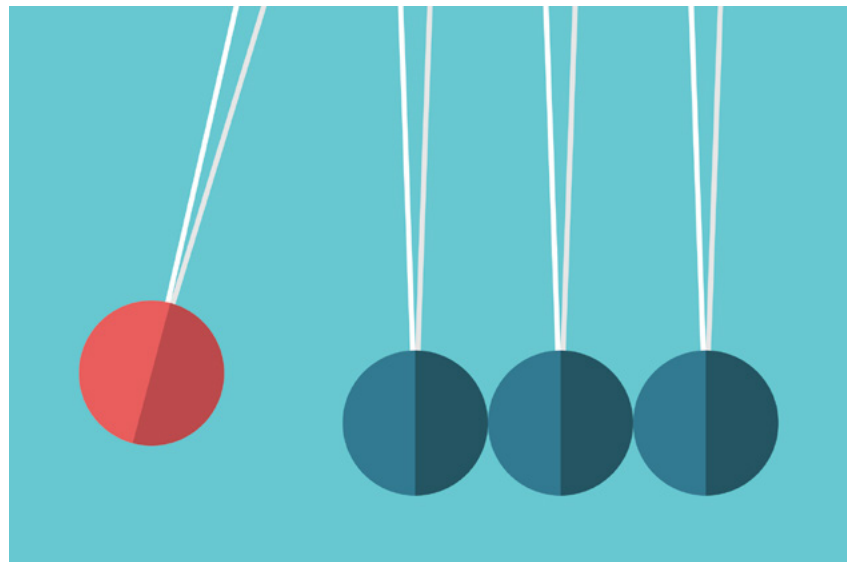
But are these objectives mutually reinforcing? Can they all be met by the same impact measurement activities, or by a single organisational function? Might there be contradictions between some of them? And more fundamentally, which relate most directly to sustainability for the most effective socially focused work?

Impact measurement has been one of the most dominant – and disputed – features of the evolution of the charitable sector in recent decades. Its profile has risen in line with debates about new public management, social value and austerity.

Reasonable consensus exists as to what impact measurement is attempting to achieve. The Big Lottery Fund defines impact measurement as “the process of trying to find out what effect an intervention is having on people, organisations or their external ... environment”. Measurement practice often seeks evidence of positive impact on outcomes: the changes brought about in the lives of beneficiaries. Activities associated with impact measurement include: producing narratives of how impact is intended to be achieved (logic models or theories of change); gathering monitoring or outcomes data, often from beneficiaries via self-report surveys; or gathering stories of individual lives transformed.

Exactly how, why and for whom impact measurement “gets done” is more confused and contentious. Many people will have views on what “evidence” a charity should collect, and how. These people may be internal (managers, fundraisers, practitioners, beneficiaries) or external (policy makers, funders, consultants, academics).

Varying pressures on social organisations to measure the impact of their work have resulted in a flurry of data collection, and



strong debate about what constitutes evidence, both “good” and “bad”. But there is a risk that this data is more about responding to immediate pressures, and misses the point of the relational work that is at the heart of socially orientated work.

To be valuable in the widest sense, impact measurement needs to be done with curiosity and honesty: a desire to use evaluation to become more effective, rather than to reinforce existing views on effectiveness. It also needs to be a collective endeavour, rather than an exercise in competitive advantage for individual organisations. However, the environment in which charities operate is rarely conducive to this, and the incentives are weak. For many, meaningful impact measurement requires a difficult process of culture change, and a mind-set shift for policy makers and funders as much as for delivery organisations.

The Centre for Youth Impact was established in 2014 to support organisations that work with young people to change their practice in relation to impact measurement. In partnership with our networks we are developing approaches that are valuable to the statutory and voluntary organisations that make up today’s youth sector with the aim of improving provision and moving it to a more

sustainable footing. In the midst of the complexities and tensions around impact measurement, charities need to

establish organisation-wide clarity about why (and for whom) they are measuring, and whether they are developing insight that will enable practice – and outcomes for young people – to improve as a result. They need to be able to access tools that will enable them to do this, and align their practice with their peers.

We believe that the key questions that every organisation should be asking with openness as to what they might learn and do differently as a result are: Why do you do what you do? What exactly are you doing? Are you doing it consistently well? Are you true to your premises? What do your beneficiaries think of what you do? Are you achieving your aims?

When individuals at all levels understand the questions at the heart of impact measurement and care about getting meaningful answers, the resultant data is more likely to reflect the realities of practice and be used to improve it. The mission must be to understand impact, rather than seeking tick-box ways to respond to others’ demands. There is a technical aspect to this, but relationships and culture matter much more.

To discuss the issues raised in this article, email zina.smith@campbelltickell.com

“Impact measurement has been one of the most dominant – and disputed – features of the evolution of the charitable sector in recent decades”



Greg Campbell partner, Campbell Tickell

Cracking the culture conundrum: The ‘Lucky 13’ questions to plot a successful partnership



“**A**s the outside world becomes more uncertain, funding gets tighter and risks increase, the pressure grows for organisations to seek safety through mergers and partnerships. Becoming part of a larger entity, or bringing in a smaller partner, can deliver economies of scale, greater efficiencies, and increased capacity to face the challenges – expected and unexpected – of the operating environment. No wonder then that a growing number of charities have been exploring the potential for inorganic growth and greater safety through numbers.

Delivering a successful merger has never been easy though. It has always been true that the great majority of discussions between non-profit organisations fail to go all the way. Even for well-run partnership projects that commence in earnest, in our experience one in three typically fail to complete. People whose experience of M&As (mergers and acquisitions) has been wholly shaped in the commercial sector sometimes struggle to appreciate this, but it is much harder to achieve a merger when the incentive of shareholder financial returns is absent.

How then can one succeed?

Received wisdom is that it is best to search for four “fits”:

- strategic/business fit;
- geographic fit;
- people fit; and
- culture fit.

The first three are relatively straightforward to define. When one looks at the business streams of two prospective partners and models how they might combine, broadly speaking there is potential to achieve synergy and coherence through a merged entity or there isn't. The geography – whether through consolidating existing areas of operation, or facilitating moving into adjacent areas – either works or it doesn't. And putting together the two top teams, at executive and non-executive level, is either going to work for both organisations or it isn't.

Assessing an organisation's culture

Time after time though, we find that the biggest obstacles are clashing cultures and organisational behaviours. So how can we define and interpret an organisation's

culture and assess whether there is a potential fit with a would-be partner? What are the signs to look for?

When these questions are examined, it will be considerably more straightforward to assess whether a formal partnership between the two parties will be achievable, and whether it will deliver optimal results.

Our experience suggests that most charities pay lip service to the culture question until it is too late. High-level examination of mission, vision, strategic plans and other defining publications is often deemed sufficient.

Rarely do organisations interrogate their business to understand if there are any areas of culture and behaviours that might jar and derail the process if that risk is not managed.

Of course, even when a good fit in all four areas is identified, there is no guarantee that a deal is going to work. Getting the process right, in particular identifying the showstoppers at the outset, and ensuring that the programme is effectively timetabled and managed, is a major trick in itself. A failure to identify and address the dealbreakers in the preliminary stages is likely to lead to a failure of the deal further down the line.

A number of critical questions need to be examined:

1. Do the two organisations share a similar outlook in terms of their mission, what they are trying to achieve, and who are their principal client groups?
2. Do they really understand what their own culture looks like?
3. Do they place greater store on maximising social value or on commercial operations, or do they seek to balance these?
4. What are their growth ambitions?
5. Do they have a similar appetite for risk, and is there broad alignment in their approach to managing and mitigating risk, and achieving business assurance?
6. Do they agree on their proposed governance structure, in particular whether their focus is unitary or federal?
7. Whom do they regard as their primary stakeholders and how do they engage with them?
8. What do they see as the right pace for integration?
9. To what extent do trustees and executives operate as a combined team?
10. Is their decision-making focus top-down or bottom-up?
11. How diverse are their leadership teams?
12. How do they communicate, internally and externally?
13. Do they lean more towards outsourcing or insourcing the delivery of critical services?



To discuss the issues raised in this article, email greg.campbell@campbelltickell.com



Zina Smith marketing & communications coordinator at Campbell Tickell, and trustee, The Disability Foundation

How can a small charity survive in the UK today?



“A recent study by NCVO, the Road Ahead, notes that charities have always found innovative solutions to challenges. Given the current strains on the sector, an optimist might say small charities have a lot of opportunity to demonstrate their skills in this way.

Before delving into a case study, it is worth outlining some key findings of two reports that detail the current and future challenges for the charity sector.

The Social Landscape report (CAF/ACEVO, 2017) found that confidence in meeting service demand has declined, while income generation and financial sustainability remain the top concerns for charity CEOs. Increased competition for funding, coupled with rising demand for services, has led to just one in seven charities reporting they are confident they can meet service needs.

Meanwhile, the Road Ahead (NCVO, 2017) also notes that any rise in sector income has tended to help a few large charities. To cope with this, small and medium-sized charities are looking toward collaboration, partnership and merger in order to bid for publicly funded contracts and for future financial sustainability. Despite these strains, optimism in the delivery of charitable services does exist, albeit less than in previous years.

“Just one in seven charities are reporting they are confident they can meet service needs”

Social Landscape report

In this context, what does survival, and more positively, innovation, look like in a small charity today?

The example of a small charity, The Disability Foundation, for which I am a trustee, shows how one can continue operating effectively in the current operating environment. TDF has adopted a new funding model and increased collaboration and outreach services, with the support of a committed and dedicated team.

A new model

TDF provides complementary therapies to any person with a disability or chronic health condition, as well as all those involved in their care. The charity is based on the grounds of the Royal National Orthopaedic Hospital (RNOH) in London, and has been in existence for nearly 20 years.

well as fundraising events and membership fees. Like other small charities TDF was severely affected by the knock-on effects of the recession, in which, over time, a few significant donors withdrew their funding. The charity thought it may have to close its doors.

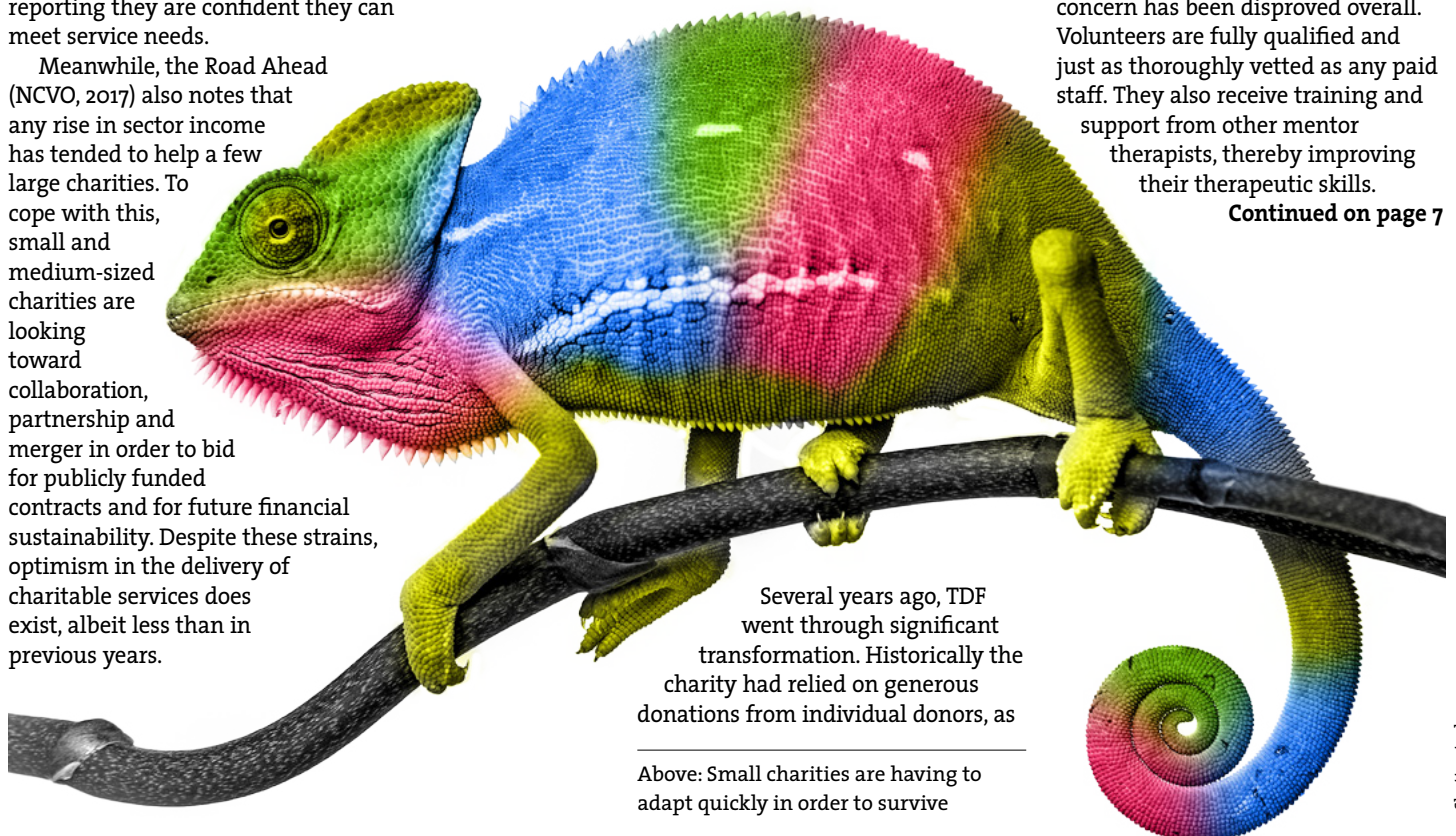
Initially, TDF sought independent advice to establish a new sustainable funding model. This led to the creation of a volunteer-led therapy programme, reducing staff costs and enabling donations to flow straight back to the running of the charity. As a result, some tough decisions had to be taken, such as board and staff restructuring. But diversifying the funding streams so as not to rely so heavily on private donations has been a key factor in enabling TDF to continue operating.

One concern with relying on volunteers was retaining committed and well-trained therapists. This concern has been disproved overall. Volunteers are fully qualified and just as thoroughly vetted as any paid staff. They also receive training and support from other mentor therapists, thereby improving their therapeutic skills.

Continued on page 7

Several years ago, TDF went through significant transformation. Historically the charity had relied on generous donations from individual donors, as

Above: Small charities are having to adapt quickly in order to survive



CT's Charity Partners 2017-2018

Every year Campbell Tickell staff nominate two charities to partner with: one that addresses UK social issues, and one that is internationally focused. This year, CT is proud to be able to support Recycling Lives and Action Village India, as our two nominated charity partners. Read about them here.

Recycling Lives

Recycling Lives helps vulnerable people to get back on their feet through training, work experience and support. The charity combats the social impact of homelessness, unemployment and welfare dependency, supporting disadvantaged and marginalised individuals to inspire independence and full-time employment.

The programme provides accommodation and support for unemployed, vulnerable men over the age of 25 who are often facing homelessness, including ex-armed forces personnel and ex-offenders. The charity is sustained by the commercial recycling and waste management services of the Recycling Lives business, which provides financial support and employment opportunities for Residents. Find out more: <http://www.recyclinglives.com/wp-content/uploads/2017/01/RLUK-Charity.pdf>



Action Village India

Founded and run by people inspired by India, Action Village India (AVI) has for more than 25 years supported six long-term partners in India which manage rural development projects.

"We are committed to understanding the needs of rural India and its people at a time when the country is changing and developing so quickly. Our strong partnerships allow us to access this knowledge and we do this in a spirit of friendship, fun and food!"

"India's rapid economic development has left hundreds of millions of people untouched and has destroyed the homes and livelihoods of millions more. It is those marginalised people that AVI's partners work with, in the Gandhian tradition of non-violent action, to right economic and social injustice." Find out more: <http://www.actionvillageindia.org.uk/>



How can a small charity survive? Continued from page 6

As a result, the charity has been able to extend its opening hours and enable more people to access a greater variety of treatments at more varied times. TDF has therefore been able to meet greater service demand in the local community.

Collaboration and outreach

Secondly, a significant outcome of the sustainable model has been a more outward-looking service approach. TDF has been developing outreach volunteer therapy services and now collaborates with the RNOH, providing volunteer therapists to the sarcoma unit and the children's wards.

TDF is also working with a local sports team for children with autism and at a local hospice, which asked the charity to take over its therapies due to TDF's experience as a leader in the field of complementary health and disability.

These community links are vital for its future sustainability and TDF continues to seek new partnerships with care homes and other local organisations to extend the reach of its services.

Finally, TDF is fortunate to have a strong team of committed staff and volunteers who are keen to see it remain open. Many of the team have had their own personal experience of disability or of caring for someone, which adds to the commitment they feel toward the charitable goals and their personal investment of time.

Despite this positive picture, there is both a very real time and resource constraint on the amount this small team can achieve. More funding is needed to invest in staff costs, training, equipment and programmes to broaden the reach of its charitable services. The charity will need to continue building on the work it has achieved, strengthening and formalising partnership agreements, retaining

its committed staff and volunteers in a competitive environment, and further diversifying funding.

To see another 20 years (and hopefully more!), TDF will need to meet both internal and external challenges ahead, such as fundraising for a new building and meeting increasing regulatory requirements.

This case demonstrates, in common with other small and medium-sized charities, that innovative thinking coupled with committed action can enable a charity to survive.

While optimism in the delivery of services may have declined on previous years, there is reason to believe that many will survive into the future, if they take the right steps now.

To discuss the issues raised in this article, email zina.smith@campbelltickell.com



Rosie Chapman associate, Campbell Tickell



The Charity Governance Code: What's new?

“The Charity Governance Code is overseen by a Steering Group of the sector’s umbrella bodies, with the Charity Commission engaged as an observer. I am the group’s independent chair.

We received more than 200 responses to our recent consultation on an updated version of the code, illustrating the high level of interest in charity governance matters right now. (See a summary of these responses: <http://www.governancecode.org/>)

Having worked through these comments, we’re publishing the final code in July. Here’s a brief run through of key changes.

Overall, respondents, particularly larger charities, support the proposed new code. 90% of respondents were “very” or “somewhat satisfied” with the new code, and 83% said that they would “definitely”, or “probably”, use it.

Respondents like the code’s new emphasis on continuous improvement; the different expectations for larger charities; the focus on trustee behaviours; and the inclusion of the new leadership and diversity principles.

The Charity Commission is supportive, saying it will refer to the code as the benchmark for governance in the charity sector. The House of Lords Charities Select Committee, in its report Stronger Charities for a Stronger Society, has also welcomed the work to update the code, and has endorsed many of the detailed points within it.

Regarding suggested improvements, some people were confused as to whether the code sets out “rules and regulations” or whether it is a best practice guide. We have clarified that the code’s principles are not accompanied by any regulatory sanction; the code is simply a best practice document which charities can adopt to help demonstrate how their organisation exercises good governance.

“90% of respondents were ‘very’ or ‘somewhat satisfied’ with the new code”

“Apply or explain” is designed to be used by larger charities. It is based on the premise that charities which adopt the code will seek to adhere to each of its principles, and that these charities will apply the recommended practice as applicable and proportionate to their circumstances. Where a charity does not follow a recommended practice – and there may be good and valid reasons for this – it will explain what it does instead. This approach fits with the House of Lords Select

Committee’s recommendation that the Steering Group set out best practice suggestions for governance reporting by charities which might entail charities including, within their annual report, a statement that they follow the Governance Code, or a similar specialist governance code relevant to their work, and report any actions they have taken over the year in light of the code.

We therefore envisage charities using the governance section of the trustee annual report to explain what governance code they follow and to explain what arrangements they have in place if there are any key areas of recommended practice which they do not follow. We also recognise that some charities, for example those working in housing or sport, follow sector-specific governance codes, which have similar “apply or explain” arrangements in place. Because some people felt that it was impossible for one code to cover all types of charity, we are producing separate versions of the code for different sizes of charity, including one for charities whose accounts are externally audited.

The response to our consultation on the proposed new code was encouraging. Our aim now is to make sure that the new code is a helpful aid to develop, enhance and promote good charity governance.

To discuss the issues raised in this article, email radojka@campbelltickell.com

Key amendments

Here are some recommendations respondents made, ordered by principle, that we will be incorporating:

1. Organisational purpose

- Support for a charity keeping its “relevance” under review.

2. Leadership

- More detail about the separation of responsibilities between trustees, staff and volunteers.
- New section on the relationship between a parent charity and any subsidiaries.
- Additional text on the chair’s role.

3. Integrity

- More explanation of managing conflicts (or potential conflicts) of interest.

4. Decision-making, risk and control

- Support for the new section on risk, including the dangers of risk aversion.

5. Diversity

- Support for diversity as a separate principle

6. Board effectiveness

- Support for focus on behaviours.
- Support for suggested nine-year term limits, good practice board size, and triennial board effectiveness external reviews.

7. Open and accountable

- Clarify the nature of the register of interests, and the accompanying public disclosure arrangements.



Sue Lukes MigrationWork

Make it fair, make it legal – housing migrants in difficult times

“Sue Lukes works with MigrationWork and is a board member of Arhag Housing Association, which together with Innisfree Housing Association and migrant support charity Praxis Community Projects is organising a major conference on migrants’ access to housing on June 20 in London. Here she explains why it is so important now for housing professionals to focus on the needs of migrants.

I train and develop projects on housing and migration, across the UK, meeting housing professionals, social workers, lawyers, landlords, local authority staff and many others.

We all agree that this is the most challenging time we have ever faced. We work against the background of the falling supply of really affordable housing, inaccessible home ownership, private sector accommodation that may be inadequate or appalling, or simply out of reach.

Issues migrants face

Migrants face these problems but in greater measure: often exploited by landlords or employers, unaware of their options or rights, and subject to a bewildering mess of eligibility conditions for local authority services, changing “rights to reside” for EU migrants (and the knock-on effects on benefits), and the multiple document checks now required of private landlords in England.

The data shows that migrants generally live in worse housing conditions than others. And that is before we even consider the challenges presented by the need to house the small number of vulnerable Syrian refugees accepted for resettlement.

There are migrants in every local authority area in the UK, and migrants are potential or actual housing customers in all of them. They may be from the EU, living and working here but now frightened by the prospect of Brexit and the increase in hate crimes against them. They may have arrived as refugees and still be dealing with the consequences of torture, loss and flight.

Some arrived to join family here and now have to flee domestic abuse. They may have fallen through the cracks and become destitute and homeless, even rough sleeping. They may be your



Gettyimages.com

Migrants face housing problems, and often in greater measure

Conference speakers

Terrie Alafat – chief executive of the Chartered Institute of Housing

David Orr – chief executive of the National Housing Federation

Barbara Roche – former Home Office immigration minister, former chair, Metropolitan Housing Trust

Sally Daghlian – chief executive Praxis Community Projects

Dr Nigel de Noronha – University of Warwick

Sue Lukes – housing and migration specialist, director of MigrationWork

Migrants’ Access to Housing conference, Tuesday June 20, 9.30am-5pm, Amnesty International

tenants worrying about how to pay the rent or deal with a family problem.

MigrationWork, a not for profit consultancy with which I work, is now helping ARHAG and Innisfree Housing Associations and Praxis Community Projects respond to all these needs.

They are organising a conference in London on June 20, where David Orr of the National Housing Federation, Terrie Alafat of the Chartered Institute of Housing, and many experts in the field will help housing providers understand what is going on, what they can do and how they can “Make it fair, make it legal – housing migrants in difficult times”.

It will be a terrific event: great speakers, lots of useful information, and good chances to network. Put it in your diaries, book your places and start to get to grips with these challenges.

*Tuesday June 20, 9.30am-5pm, Amnesty International, 17-25 New Inn Yard, London, EC2A 3EA. For further information contact Bella Kosmala on bella.kosmala@migrationwork.org
Tweet: #fair4migrants*



Sarah Loader consultant, Campbell Tickell
Running effective meetings



“Trustees give a great deal of time to their charity because they believe in what it is set up to do and want it to achieve its aims. However, for many trustees, most of their time is spent in meetings. Hardly the way to fulfil a burning desire to change society!”

But meetings, whether we like them or loathe them, are a key part of the job of a trustee. Running effective and yes, inspiring meetings can make the difference between trustees staying with a charity and making a positive impact and them running away after their first board meeting experience.

were tabled at the meeting itself. This gave the trustees little or no time to read the papers or to seek further information or clarification on an issue.

The trustees were therefore unable to scrutinise the information presented to them or to hold an effective strategic discussion. Trustees often asked for the paper to be resubmitted to the following meeting to give them time to look at the issue. Meetings were left feeling annoyed by the time wasted and they also felt like they were being bounced into a decision. Staff had to wait for the following meeting for a decision, which delayed important areas of work.



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I have worked with many charities and seen first-hand how a good or bad meeting can have a significant impact on the governance of the organisation. One charity I worked with held meetings where the agenda stretched to two pages. Many of the papers tabled went into great operational detail about the charity. The trustees were very committed to the organisation and a number of them were heavily involved in the delivery of services. They enjoyed discussing operational issues, in which they had great knowledge. However by doing this, they were treading on the toes of the chief executive and staff, who should have been taking forward matters at this level. They also failed to discuss important strategic issues because they were so engrossed with the detail.

Another organisation experienced problems because staff tabled items for meetings at the last minute. Papers were sent to trustees as they were produced, rather than in a pack, and sometimes papers

Another charity had effective agendas with papers sent to trustees in advance of the meeting. However, the papers they submitted were very long and detailed and rarely made clear what trustees should do with the information they had been sent. A request for a decision on an issue would often be buried in page 5 of an annex to the main paper. This led to lengthy, unproductive discussions at the meeting and staff were left afterwards without a clear decision from the trustees.

By putting in place a bit of structure and planning meetings in advance, many of these issues can easily be overcome. (See box)

Having the right structures and systems in place to run effective trustee meetings helps to improve charity governance and trustees might start to enjoy meetings more and feel like they are really making a difference.

To discuss the issues raised in this article, email stephen.bull@campbelltickell.com

8 ways to improve your meetings:

- 1. Schedule key meetings with agreed dates a year in advance.** These could include meetings on: approving the accounts; meeting with the auditors; considering the risk register; and reviewing key policies.
- 2. Use an online meeting scheduler** to organise meeting dates.
- 3. Include focused agendas for trustee meetings that concentrate on strategic issues.** The agenda should be discussed and agreed in advance by the chair and chief executive.
- 4. Put in place a clear timetable for production of trustee papers.** This should build in plenty of time for both the chair and chief executive to offer comments on drafts and for papers to be produced in good time for the meeting.
- 5. Structure agendas so that important issues are discussed early on.** Ensure early discussion of financial issues to help support effective decision making on the affordability of proposals put to the board in later papers.
- 6. Produce a standard board paper** which ensures that clear information is provided to the trustees on: key issues to discuss; what action, if any, they need to take; the financial and staffing implications; and how the paper fits in with the charity's strategy.
- 7. Send a full set of papers to trustees at least a week prior to the meeting** to allow them time to digest the information and clarify any issues in advance.
- 8. Build in time at the start of meetings to invite key staff to give an overview of their area of work** so that trustees have a better understanding of the impact of the work of the charity and can take inspiration from the difference that the charity can make.



Jacob Tas chief executive, Nacro

Why tackling social injustice is vital for our country's education, health and housing



“Nacro is well known for rehabilitating prisoners, integrating them back into society upon release, and influencing policy makers to ensure an improved criminal justice system. As Nacro celebrates its 50th year, we are also very proud of our achievements as a social justice charity that is tackling injustice and social exclusion through our service delivery in housing, education and health, as well as justice.”

Over the past 50 years, Nacro has undergone a number of major transformations to get us to the point of being able to thrive in a radically different world today from the one we started off in. We are now delivering for national and local commissioners across England and Wales with expertise and a track record of positive outcomes through transformative services in our housing, education, health and justice work.

True to our roots, we continue to provide the rehabilitation support, education and advice that young and adult offenders need to resettle and move towards positive, independent futures. Yet we are also an educator because we believe that everyone, no matter what their background or where they live, should have the chance to achieve their full potential.

Through our technical and vocational education programmes, tailored to meet employers' needs, we support young people in deprived communities and those who have had challenges in their education so that they can have a route into employment that can kickstart successful careers.

We are also a housing provider. At the heart of our social justice agenda is a housing system that works for everyone, including those who are homeless, care leavers, people with mental health needs or substance misuse problems, as well as those on low incomes.

We provide a wide range of supported housing across the country that provides a base and opportunity to build vulnerable people's capacity and resilience to live on the same terms as everyone else. A decent and stable home is the absolute bedrock to help people take

“The NHA intervenes in the private rented sector and works in partnership to make homes accessible to vulnerable people”

back control of their lives. But how do people move on from supported housing? With housing associations currently housing less than 20% of people who have been homeless, the depletion of council housing stock and private rented sector rents being out of reach for many, we need to look for new solutions. Our Nacro

Homes Agency (NHA) is part of this solution. The NHA intervenes in the private

rented sector and works in partnership to make homes accessible to vulnerable people and help provide the 'move-on' accommodation so many need, at the same time as offering confidence to landlords.

But this can only go so far. We desperately need a greater range of longer-term solutions that can help tenants who are unlikely to reach the income levels required for shared ownership, so that they can also have a greater stake in their homes and communities.

At Nacro we are grateful for the passionate and committed people and organisations that have helped us to deliver over the past 50 years. And, as we look to the future, we are proud to have the expertise and resolve to tackle some of the country's most challenging social concerns.

To discuss the issues raised in this article, email zina.smith@campbelltickell.com

Nacro at 50

1966 Nacro is formed from the National Association of Discharged Prisoners' Aid Societies.

1972 Nacro Community Enterprises, Nacro's housing arm, is founded as a subsidiary.

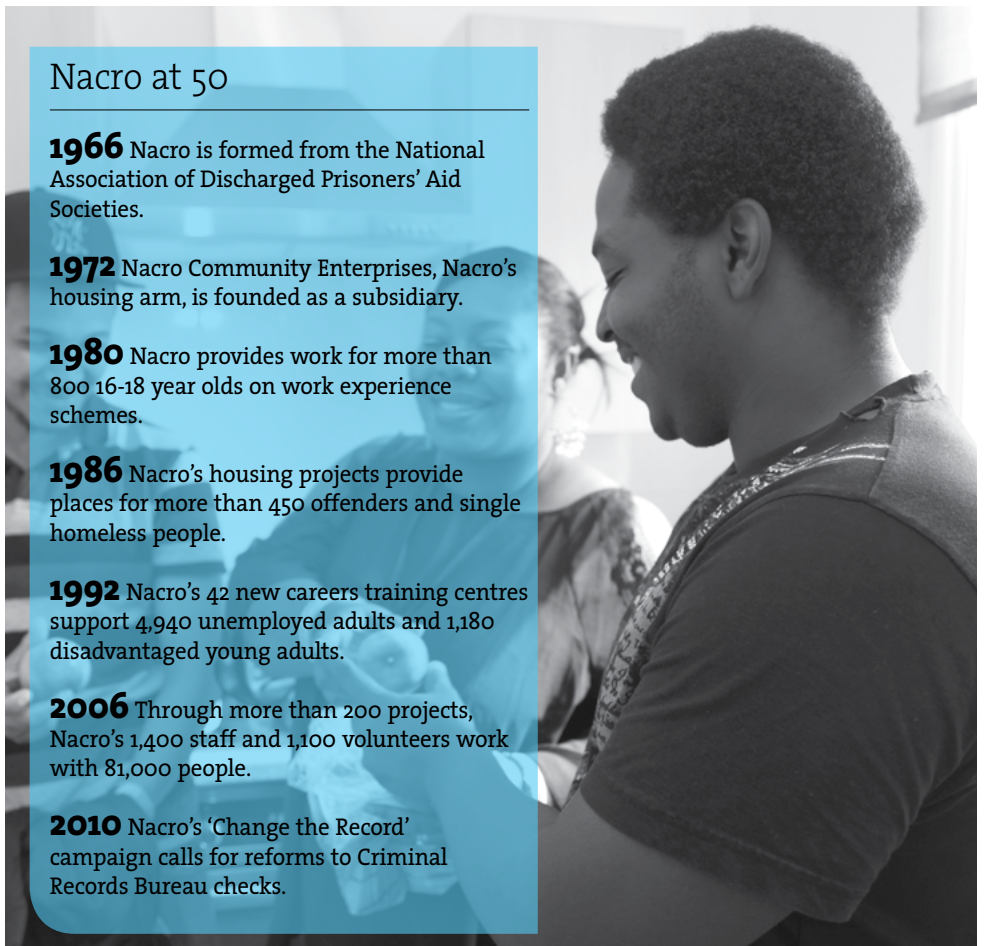
1980 Nacro provides work for more than 800 16-18 year olds on work experience schemes.

1986 Nacro's housing projects provide places for more than 450 offenders and single homeless people.

1992 Nacro's 42 new careers training centres support 4,940 unemployed adults and 1,180 disadvantaged young adults.

2006 Through more than 200 projects, Nacro's 1,400 staff and 1,100 volunteers work with 81,000 people.

2010 Nacro's 'Change the Record' campaign calls for reforms to Criminal Records Bureau checks.





Alice Smith consultant, Campbell Tickell
Landmark VAT ruling for charities



“A charity that runs a watersports centre has lost a £135,000 VAT case to HM Revenue & Customs (HMRC) in a decision that could have significant implications for the rest of the charity sector.

At a time when resources are being squeezed like never before, it is some relief for charities that they can claim VAT exemption on the construction of new buildings, provided those buildings are used “otherwise than in the course or furtherance of business”. However, this recent case means the old test for determining whether an activity constitutes business or not may no longer be watertight.

The charity, Longridge on the Thames, built a new centre at its site in Marlow in 2010 to provide water-based and other outdoor activities in addition to instruction and training. The charity is not VAT registered and considered the fees received for instruction and training should be classed as non-business income: it argued the fees charged for its activities were well below cost, effectively subsidised by grants and donations received, and by the work undertaken by volunteers. This would permit the construction services for the building to be zero rated.

“This case means the old test for determining whether an activity constitutes business or not may no longer be watertight”

Alice Smith, Campbell Tickell

The Fisher test

The UK’s “business test” for VAT purposes dates back to the early 1980s case of Lord Fisher, and has since been relied upon by charities and VAT courts to determine whether construction work could be afforded VAT relief. The Lord Fisher test is referred to in many references, including HMRC’s VAT Notice 701/1: charities. However, the test is a series of questions or principles which are somewhat ambiguous, and open to varying interpretation.

HMRC challenged Longridge, stating that the charity was “in business” even if the charges for services were below cost, making the building services subject to VAT at 20%. The charity took its case to Tribunal and won the first two hearings. Applying the Fisher test, the lower VAT courts found in favour of Longridge as the organisation’s “predominant concern” was the furtherance of its charitable objectives, rather than the “making of taxable supplies for a consideration” (ie money).

However, the Court of Appeal has overturned the ruling, stating that the Fisher test no longer reflects the jurisprudence of European VAT law or the VAT decisions of the European Court. In determining whether a charity’s activity falls within the scope of VAT, it is not the charity’s reasons for supplying the service that need to be assessed, but the activity generating the income. In

other words, it is no longer relevant that charges for activities are below cost – the fact there is a charge made in connection with an activity might now be enough for it to be considered a “business” activity. The subsidised fees paid to Longridge were deemed a business activity, and the charity was not given VAT relief for the construction of the new training centre. Longridge now faces a VAT bill of £135,000.

Judgment implications

Who does this affect? This will be bad news for many charities that have secured or hope to secure VAT relief on new charitable buildings on the basis of the Fisher test, or the original Longridge decision. HMRC can claim VAT retrospectively, and the latest judgment potentially lays the groundwork for HMRC to assess builders, developers and charities for historic VAT and penalties. Charities will also need to consider carefully how to raise income for providing services: if a donation is directly linked to the provision of an activity, it could be classed as income.

It is the supplier who has the responsibility for handling VAT liability, so builders who built such properties will be assessed by HMRC. If HMRC assesses for VAT uncharged, the builder will be required to pay the VAT due and any penalties and interest. In some cases, the builder will have no recourse to the charity, and will have to pay the costs. But if the contract is silent on VAT or states it is “VAT exclusive”, the builder may be able to recoup the extra 20% from the charity.

Charities and construction clients involved in such projects over the past four years may need to check the legal terms of historic contracts to clarify their position. Beyond the construction or sale of new charitable buildings, the judgment may also impact previously “disapplied” options to tax, such as when a building is rented to charities for non-business purposes. In some of those cases VAT should have been applicable.

Longridge may appeal the decision. But if it holds, the effects will be felt throughout the charity sector.

To discuss the issues raised in this article, email zina.smith@campbelltickell.com



Longridge aims to help young people grow through a range of outdoor activities



Stephen Dunmore chief executive, Fundraising Regulator Will 2017 be the year donors take back control of their data?



“In summer 2015, a succession of news stories exposing poor fundraising practice and the mishandling of donor data in several charities resulted in a major review of fundraising regulation.

Since July 2016, a new and more independent Fundraising Regulator is in place with responsibility for public complaints and the Code of Fundraising Practice, the standards which define what good fundraising looks like.

All fundraising charities, including housing associations that are charities, will be expected to comply with these rules when seeking donations from the public. They will be expected to register with the regulator, signing up to the Fundraising Promise, and, if they spend more than £100,000 annually on fundraising, to pay the levy.

Lack of trust

There are many areas of fundraising that need to change if public confidence is to be restored. However, as fundraising becomes increasingly reliant on data to anticipate the giving habits of individuals, evidence suggests that the way organisations use this personal information has a significant impact upon public trust.

In research carried out by the National Council for Voluntary Organisations, a majority of donors said their trust in charities would increase if they were given more control over whether and how they were contacted. Public concern about data security and privacy is particularly prevalent. A separate Royal Mail survey reported that 71% of people were concerned about their information being protected from loss or theft and 90% said they were concerned that an organisation would pass on their details to another organisation.

This public concern takes place against a backdrop of new data protection requirements which seek to give the individual increased control of their personal data. Revised direct marketing guidance released by the Information Commissioner’s Office (ICO) last year and also the General Data Protection Regulations (GDPR), scheduled to come into force in May 2018, send a clear message to charities claiming an ongoing relationship with individual supporters

based on choice – in other words, ensure you have unambiguous consent now to fundraise with individuals on your databases or face big fines later. The Fundraising Regulator has also issued guidance to help charities meet their responsibilities in relation to these requirements.

“A majority of donors said their trust in charities would increase if they were given more control over whether and how they were contacted”

Consent-led approach

Many organisations are already taking steps to implement a consent-led approach in their direct marketing communications. Thirteen of the largest charities pledged in September 2016 to only contact new donors

with their prior consent. Refreshing permissions with existing donors doesn’t have to result in lost income. Many of those who are ahead of the curve in tackling this challenge have spoken of the benefits: less time spent firing out unanswered requests to the same pool of lukewarm contacts, and more money focused on developing connections with those who genuinely want a long-term relationship with their favourite charities.

The Fundraising Preference Service (FPS), to be introduced by the Fundraising Regulator in July 2017, will be an added control for individuals in choosing how their personal data is used. This tool will complement the existing consent requirements by giving donors a simple, central place to opt out of charity communications where they feel overwhelmed by fundraising requests from specific organisations. FPS opt-outs can have statutory force under Section 11 of the Data Protection Act.

Some argue that the FPS becomes unnecessary if individuals have given explicit consent to be contacted and are given opportunities, with every contact, to opt out of these communications with every contact. Certainly, if all charities put the donor in the driving seat regarding their data, the need for a FPS would not be as vital. But until a consistently donor-centred approach to data is taken across all charities, the FPS will remain an easy way for the public to ensure their preferences for contact or no contact are actioned.

To discuss the issues raised in this article, email zina.smith@campbelltickell.com



Unwrapping the Code

There's a new Charity Governance Code on the way. How is your Board preparing?

We can help you think about how to apply the Code in a way that works for your organisation, whatever its size or purpose. We can also help you think beyond the Code.

We're governance experts with a track record of working with several hundred organisations in the housing, charity, care and support, and sports and leisure sectors.

Whether you want to evaluate the Board's performance, review your approach to risk, develop a skills matrix or start succession planning, we're here to help.