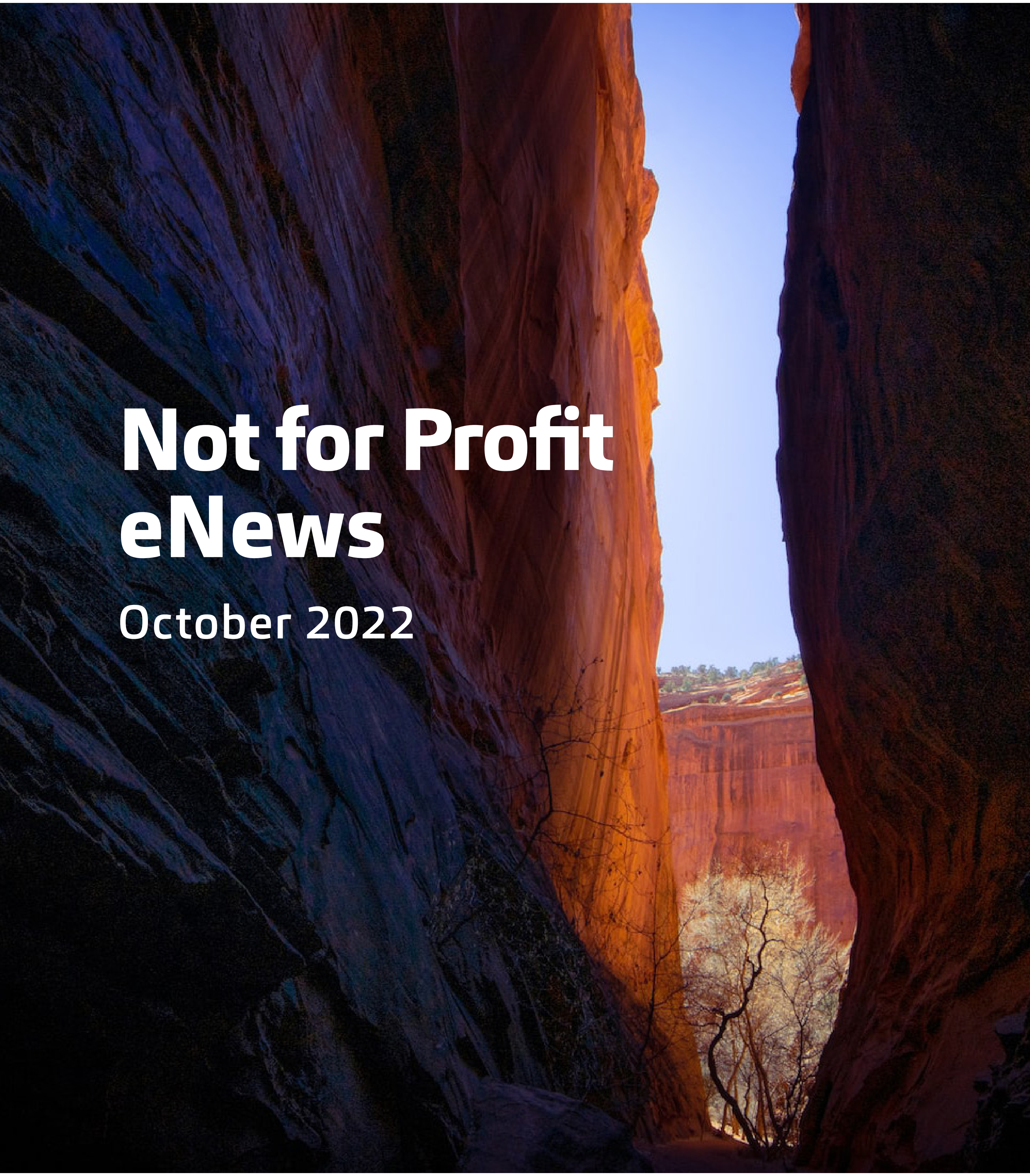

# Not for Profit eNews

October 2022

**Now, for tomorrow**

mha

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# October 2022 eNews

## Welcome to the latest edition of MHA Not for Profit eNews.

What a month we have just had – a new prime minister, a new monarch, a mini-budget, and ever-increasing pressures on the sector to deliver more with less.

In this edition of eNews, we focus on some of those pressures, such as the Fundraising Regulator's announcement that it will be increasing its levies, but also some opportunities available to the sector, such as increased National Lottery funding and the introduction of the Energy Bill Relief Scheme. We also include a piece written by MHA's HR Solutions team regarding Employment Law and HR considerations applicable for entities currently engaging volunteers, and those thinking about doing so.

Finally, we are pleased to announce that we will be launching our latest survey assessing the financial competence of charity trustees this month, the third such survey we have led in collaboration with the Charity Finance Group.

As ever, if there are any points you wish to discuss further in this issue please do get in touch.

Best Regards,
**MHA Not for Profit team**

# National Lottery funding pledged to increase

**Not for profit entities already in receipt of grant funding from the National Lottery, and those thinking of applying for such funding, will be pleased to read that new operator, Allwyn, intend to make more than double the amount of funding available for UK good causes than its predecessor Camelot did.**

Czech-owed Allwyn have only recently been officially awarded the fourth license to operate the National Lottery after Camelot dropped its legal proceedings against the Gambling Commission; Camelot had claimed that the Commission had gotten the decision to award the licence to another operator 'badly wrong'.

Proof will, of course, be in the pudding, as the claims made by Allwyn, who have the operator license to 01 February 2024, do not specify the time over which the increased available funds will be awarded.

# Fundraising Regulator launches new strategic plan, leading to potential increases in levy

**At the start of last month, The Fundraising Regulator published their new strategic plan. The strategy 'intended to provide a transparent view of how the Regulator will deliver effective regulation of charitable fundraising over the next five years'.**

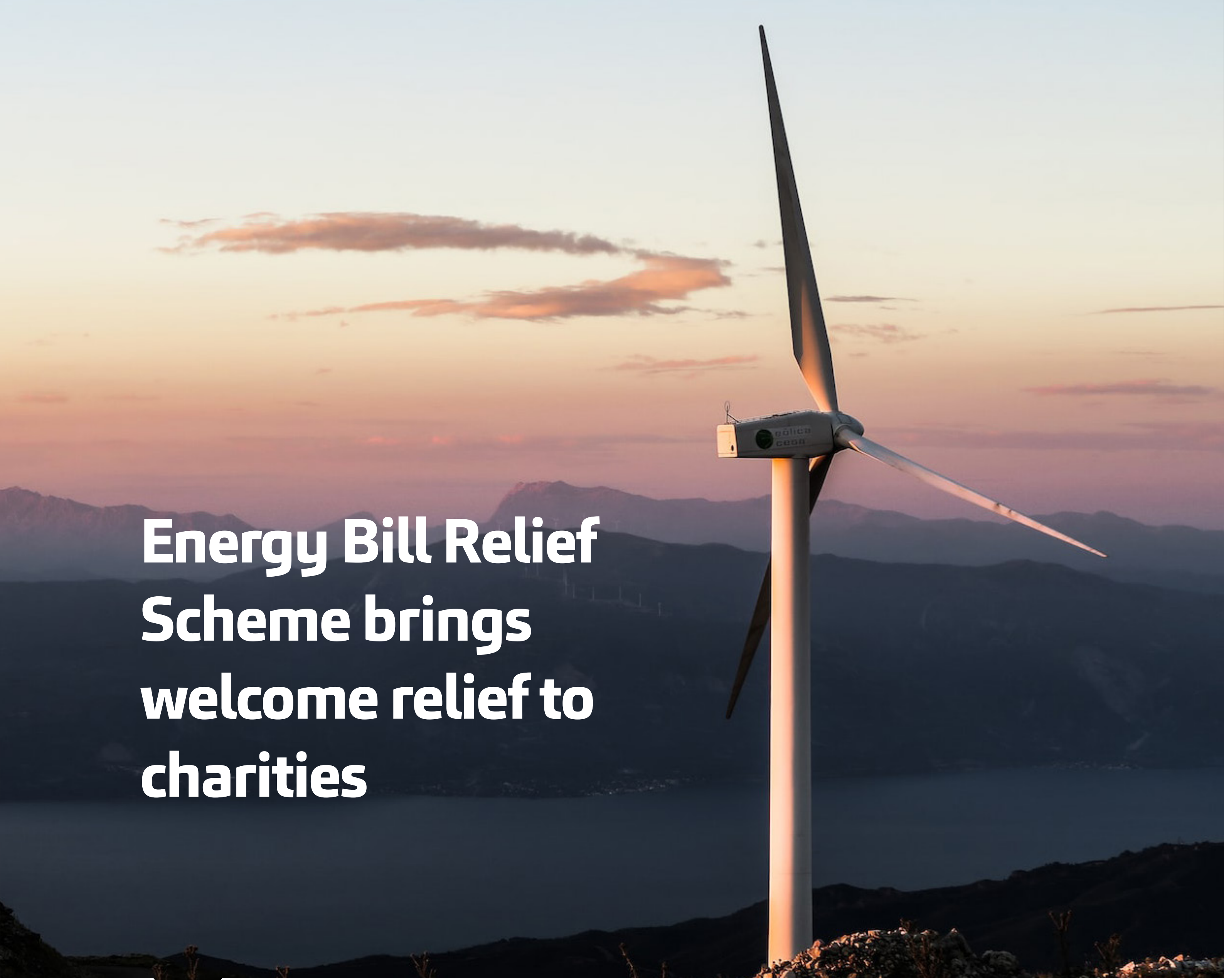
The Regulator sets out its strategic plan around four key areas, mandating that it will be Proactive, Collaborative, Innovative and Intelligent in achieving its four strategic objectives, which are:

1. To deliver intelligent fundraising regulation that protects the public
2. To inform members of the public about principled fundraising
3. To support fundraising organisations to thrive
4. To be a highly effective organisation

In order to deliver these objectives, the Regulator is planning to increase their levy and other registration fees for charities from 2024/25. The planned increase is to ensure that necessary upgrades are made to systems, but charities will be consulted before any changes to fees payable take place.

The proposed increase will mark the first increase since 2016 and the changes will also introduce 'bandings' whereby charities of different sizes will be levied correspondingly different amounts. The Regulator has stated that they will continue to monitor the impact of the pandemic on charities and will adapt their forecast along with the changing economic conditions.

The change in levy is one of the many reviews that the Regulator has announced, with a full review of Code of Fundraising Practice due to take place later this year and plans to perform research into the charitable fundraising experience received by charities and the general public.



# Energy Bill Relief Scheme brings welcome relief to charities

**The impact of the cost of living crisis and the removal of energy price caps is a key concern for nearly everyone right now, and charities and other Not for Profit entities are no different. In some extreme cases, the increases in bills are even impacting entities' ability to continue as a going concern. In light of the crisis, the government have set out plans to discount energy bills for charities over the Winter period, starting from 01 October 2022 and ending on 31 March 2023.**

The government's **Energy Bill Relief Scheme (EBRS)** will be available to everyone on a non-domestic contract including voluntary sector organisations who are:

1. on existing fixed price contracts that were agreed on or after 1 April 2022
2. signing new fixed price contracts
3. on deemed / out of contract or variable tariffs
4. on flexible purchase or similar contracts

The discount is due to be applied to all eligible bills automatically, so there is no requirement to apply for the Scheme, and by supporting wholesale electricity and gas prices, the government are expecting such bills to be less than half what they would have otherwise been this Winter.

The government have stated they will continue to review the Scheme over its inaugural six-month period and publish a review on how they can continue to support charities after March 2023.

In announcing the EBRS, the government have also pointed businesses to other relevant available support, including the **UK Business Climate Hub,** which provides practical advice on cutting emissions and saving money, and the **directory of advice and grants** which is a useful source of information available for businesses looking to improve the energy performance of their buildings.

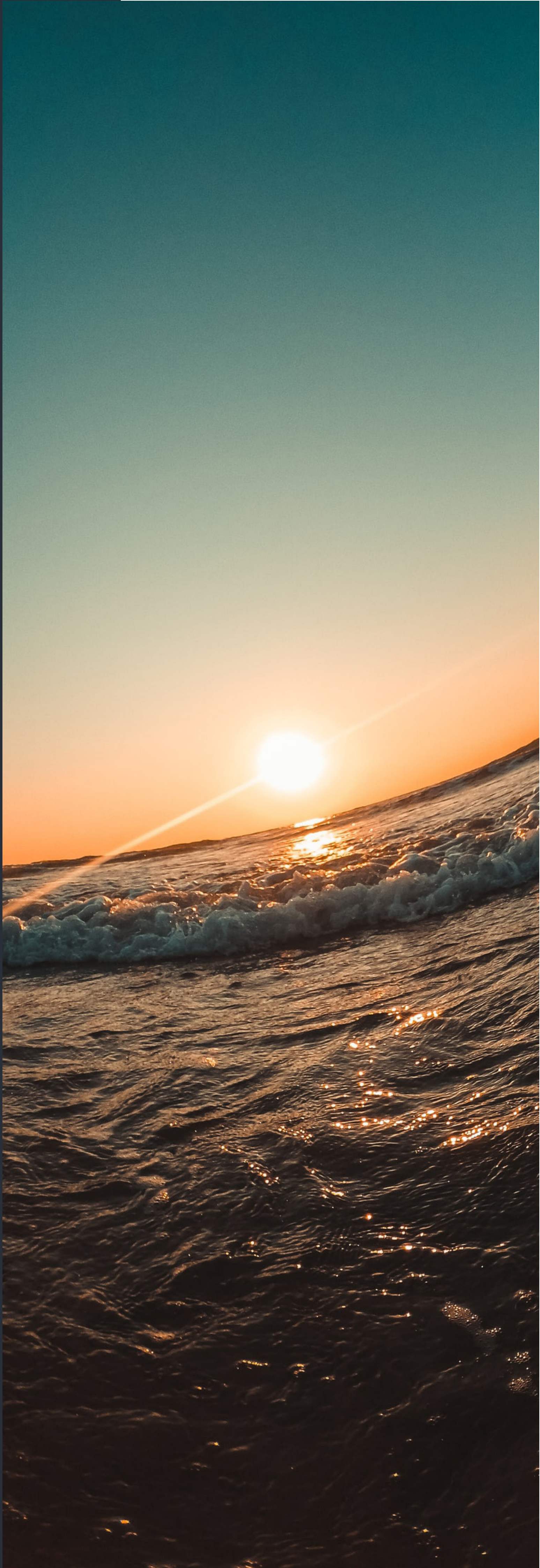
# Act now: legacy gifts are on the up

**Legacy Foresight, Britain's foremost analyst of the legacy and in-memory sectors, have predicted that legacy gifts will top £500m each year by 2024, suggesting that charities should take the opportunity now to build an effective legacy campaign.**

Legacy giving remains a relatively untapped market, with Co-op Legal Services reporting that 60% of adults do not have wills, and that 35% of UK adults say they would be 'happy' to leave a gift for a charity.

Legacy Foresight have published advice on the importance of building an effective stewardship to ensure that charities continue to prove their relevance and importance to donors throughout their lifetime. This does not only represent legacy donors, but also regular donors who may have not formulated a written will. Legacy Foresight **note** the importance of digital stewardship in bringing attention to this way of donating, encouraging active communication on the benefits of legacy gifts not only for the charity, but the individual.

This is a key time for legacy giving which may prove beneficial to charities in the long-term. Civil Society have **posted** a blog article which looks at how charities can approach will-writing conversations.



# IN FOCUS
# Volunteers – key considerations

**As the cost of living crisis continues, many Not for Profit entities are relying more heavily on volunteers or starting to engage volunteers for the first time. Whilst there are undoubtably many benefits of engaging volunteers, the associated Employment Law and HR considerations can be complex. With this in mind, our very own HR Solutions team have summarised some of the key factors you should consider when working with volunteers.**

The legal status of volunteers and therefore the obligations owed to them are not at all clear as the term "volunteer" is quite wide ranging, covering anyone who just 'helps out' through to more formal arrangements.

### Is there a contract?

For an agreement to become a binding contract there must be mutuality of obligation and an intention for the agreement to be legally binding.  It is not necessary for there to be the payment of a wage for a contract to exist, only that each party to the contract receives some benefit and is under some sort of obligation. The benefit in question for the volunteer does not have to be pay, it could instead be training or accommodation.

The parties can, however, agree that any agreement put in place will not be legally binding. Ficial to charities in the long-term. Civil Society have posted a blog article which looks at how charities can approach will-writing conversations.

If there is a contract, then organisations need to be careful to avoid creating either a Contract of Employment or Workers Agreement, both of which would give volunteers certain rights.

Workers and employees are entitled to be paid the National Minimum Wage / National Living Wage.  There is, however, a specific exception for charities, associated fund-raising bodies or other voluntary organisations provided that only reasonable expenses are reimbursed and there are no benefits in kind other than in respect of the provision of reasonable accommodation or subsistence. Note that whilst training can be deemed to a benefit in kind, this does not apply if the training is restricted to that directly related to the work that is being undertaken.

Workers and employees are also entitled to rest breaks and paid leave under the Working Time Regulations.

Employees have additional rights e.g. to family-friendly leave, redundancy payments and the right not to be unfairly dismissed.

It is therefore important to use a Volunteer Agreement which clearly designates the volunteer in order to avoid liability for these rights and entitlements.  Having a Volunteer Policy in place which can be referred to will also assist here.

## Other legal issues

Even when volunteers are clearly designated, there are still legal issues to consider. For example, the principles of the Data Protection Act in respect of the bases for processing personal data apply to volunteers as well as workers / employees. In addition, there maybe a requirement to provide information to a regulator in respect of anyone "employed" to carry out a regulated activity, for example the Care Quality Commission as set out in the Health and Social Care Act Regulations is extended to volunteers based on the broader meaning of "employment" within those regulations.

Volunteers must, therefore, be provided with a Privacy Notice setting out how the organisation will process their personal data, including the legal bases for doing so and the relevant retention period(s).

Organisations which engage volunteers are responsible for their health and safety. Volunteers should therefore be provided with appropriate guidance on the organisation's health and safety policies and procedures.

Similarly, organisations must ensure that their volunteers are covered for insurance purposes in respect of personal injury, professional and public liability.

Having a Volunteer Policy in place to refer to will, again, assist in setting out these legal aspects.

## Supervising and retaining volunteers

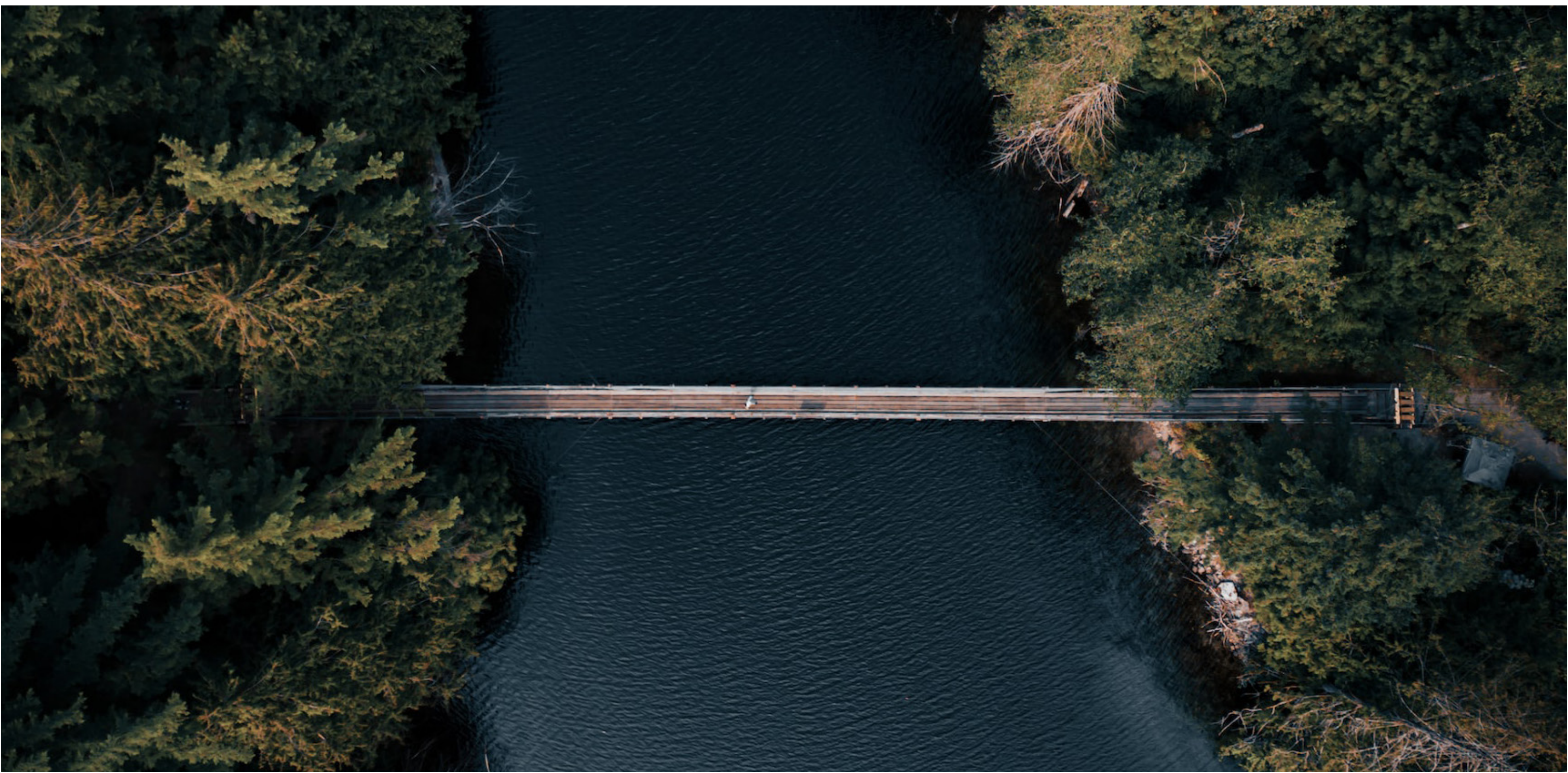
Supervising volunteers may actually be more difficult in some respects than managing paid employees. As there is no financial imperative to motivate behaviours or loyalty, leaders of volunteers will need to take a different approach in respect of performance and retention.

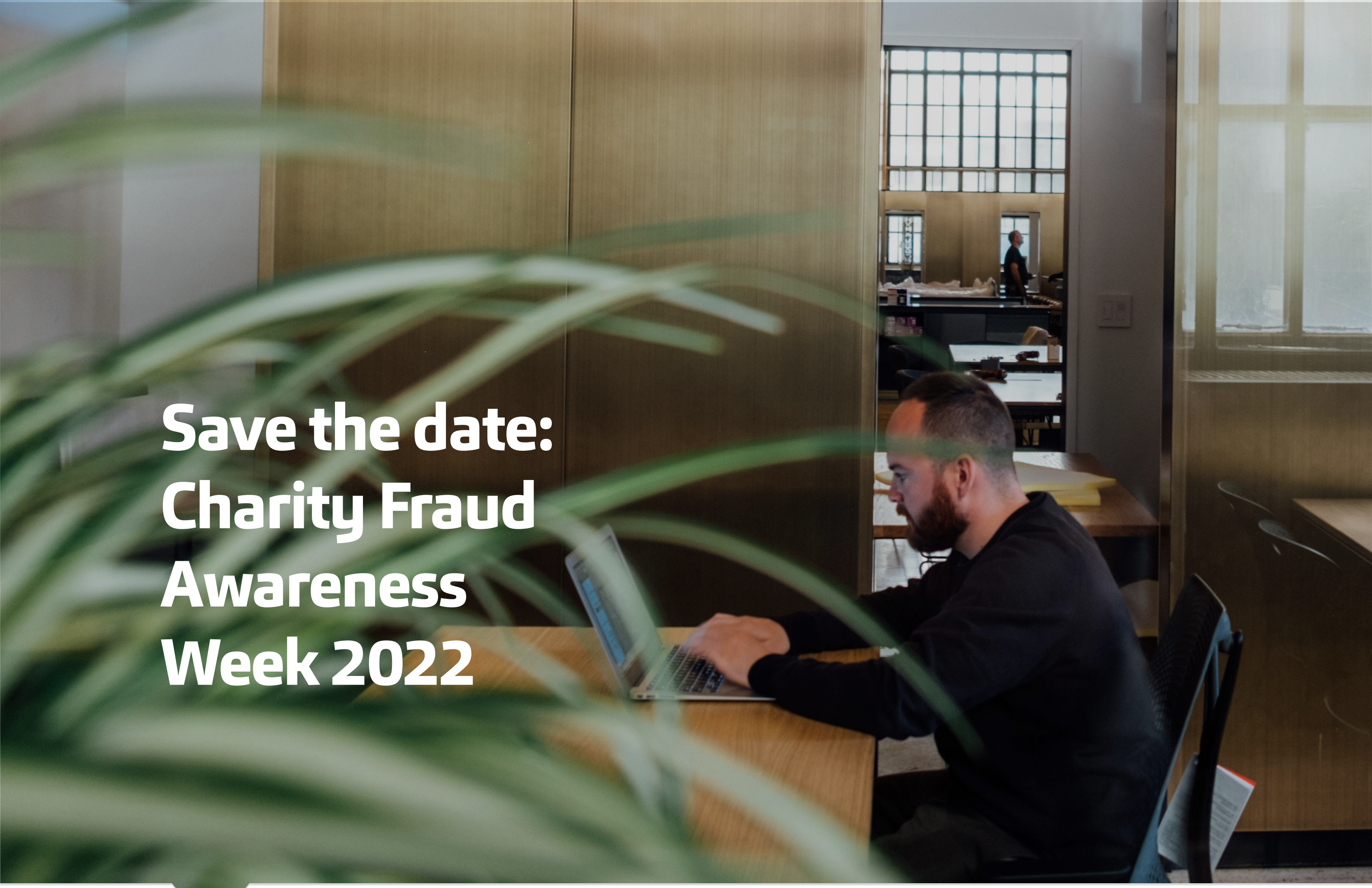
Volunteers need to be provided with a clear expectation of the role. They also need to have a clear understanding of the organisation's goals and what the role is that they play in achieving them, and any changes within the organisation should be communicated to them.

Volunteers must feel they are competent and adequately prepared so they need to be provided with consistent training and appropriate resources, as well as being given ongoing support.

Even though there is no financial reward, volunteers should be shown appreciation but equally given feedback if there are any areas of improvement. As time is their currency, they need to know that this is being well used and that they are effective. Organisations should ensure that they have a two-way feedback system in place.

Where possible, volunteers should be given freedom in deciding how to carry out particular tasks (this also helps to avoid them being labelled as workers of employees). Volunteers who feel that they are valued and that their voices are being heard are more likely to stay with the organisation.





# Save the date: Charity Fraud Awareness Week 2022

**Charity Fraud Awareness Week**, an award-winning campaign run by a partnership of charities, regulators, law enforcers, representative and umbrella bodies, and other not-for-profit stakeholders from across the world, is taking place over the week commencing 17 October 2022

The purpose of the week is to raise awareness of fraud and cybercrime affecting the sector and to create a safe space for charities and their supporters to talk about fraud and share good practice.

Find out how to get involved in Charity Fraud Awareness Week 2022 **here.**

# Trustee Charity Finance Competency Survey 2022

In October 2019 we collaborated with the Charity Finance Group (CFG), conducting for a second time a **survey** to assess the financial competency of charity Trustees. We looked at several key areas, including: financial understanding and competency, trustee training and development, assessing performance and board diversity.

We are therefore delighted to announce that we will be performing a third trustee financial competence survey in collaboration with the CFG. With there having been significant changes in the global and national not for profit landscapes since 2019 we feel that financial competency is more important than ever so the findings will be of interest to the sector. We will be launching the project this month and if you would like to get involved, then please do get in touch.

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## MHA Not for Profit Team
A national commitment to charities

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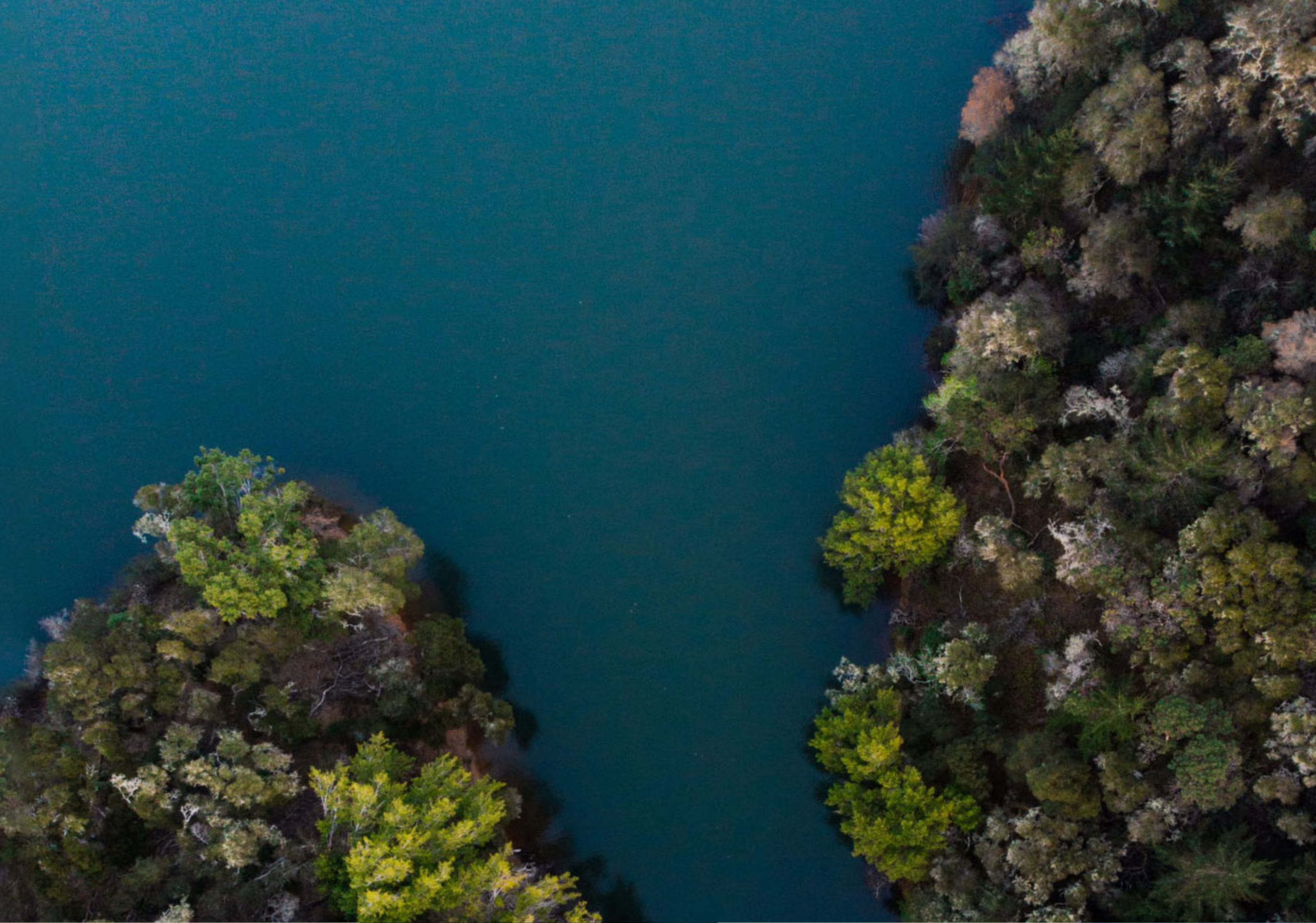

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