

Not for Profit eNews

May 2024

Now, for tomorrow



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

We start this edition by discussing the proposal for the “right to paid volunteering leave” for Trustees, and the latest updates from the MHA HR Solutions April 2024 newsletter, detailing guidance on what Disability Discrimination is and a recent law case.

We highlight the recent changes to the iXBRL taxonomy for charity accounts which are relevant to incorporated charities.

We also review the Eden Stanley report on Tomorrow’s Donor, Today which looks at the motivations of donors and the influence of age, and also highlight some sector commentary pieces from the outgoing CEO of the Charity Commission and from the Lankelly Chase Foundation.

And finally, we highlight the recent survey on charity CRM systems for fundraising purposes.

Best Regards,
MHA Not for Profit team

Right to paid volunteering leave



Earlier in May, Conservative MP Jo Gideon urged Government to consider “a right [for employees] to request paid leave for volunteering or amending section 50 of the Employment Rights Act 1996 to enable reasonable time off for trustee duties”, stating that “trustees play a vital role overseeing charities, but there are currently an estimated 100,000 trustee vacancies”.

Jo drew comparison to School Governors, noting that they legally qualify for a “reasonable” amount of time off to perform their duties, and that it would be deemed appropriate to give this same opportunity to trustees.

However, Civil Society Minister Stuart Andrew has urged caution over the proposal, noting that such leave could pose a significant problem for employers, particularly small and medium-sized businesses, though there was still recognition that charities are facing increased demands with no more funding or volunteers being available.

It will be key for “employers to develop their own corporate responsibility programmes and to encourage businesses, the public sector and charities to consider the role that employer-supported volunteering can play as part of their impact on society”.

There was also considerations on the uplift to the approved Mileage allowance payment making volunteering more affordable, and the impact of more charities effectively being part of the state sector which were included in a recent Civil Society [article](#).



Disability discrimination guidance

Disability is defined as having a physical or mental impairment that has a substantial and long-term adverse effect on the ability to carry out normal day-to-day activities. An individual who has a medical condition which has lasted at least 12 months, or is expected to last at least 12 months (except where it is a terminal condition), will be considered to have a disability.

All employers are under a duty not to discriminate on the grounds of disability in respect of employees, including apprentices, workers (agency temps, contractors and casual workers), and job applicants (in the recruitment and selection process). Employers should be aware that there is no qualifying length of service to bring a disability

discrimination claim in an Employment Tribunal. Unlike Unfair Dismissal there is also no cap on the amount of compensation that can be awarded if the claim is successful. In the financial year 2022 / 2023, the average Compensation Award for Disability Discrimination was £45,435.

In a recent case, *Miller v Rentokil* (2024), the Employment Appeal Tribunal (EAT) found that an employer failed in their duty to make reasonable adjustments when it dismissed an employee with a disability instead of giving them a trial period in an alternative role.

This case demonstrates how important it is for employers to carefully consider what reasonable adjustments they might be able to make for employees with a disability. Any reasonable adjustments which are proposed should be fully investigated. If an employer is not able to make a particular reasonable adjustment, then they must be able to demonstrate why they have found that they are unable to do so.



How age impacts donor activities

Eden Stanley, the audience-centred strategy agency for the non-profit sector, have performed a survey as part of their [Tomorrow's Donor, Today report](#). The report delves into what motivates donors by understanding values and causes.

The report identifies five donor types, being:

- 1 Protectors** - motivated by causes which directly impact them or someone close to them
- 2 Believers** - motivated by a compelling need they've been shown and the belief their donation will make a tangible difference
- 3 Pioneers** - who see donating as a means of expressing their values or ethics and inspiring others
- 4 Responders** - spring into action when they see a specific need in their community or in the event of an emergency
- 5 Joiners** - donate as part of a social activity, to feel part of a group

The report suggests that age plays an important part in determining which of these donor types an individual will be classified, with almost two-thirds of respondents considered Protectors being 50 and over and 70% of Joiners aged between 18 and 39. The report also found that those aged between 18 to 29 were less likely than those 29+ to believe information regarding social causes from social media influencers as opposed to trusting charities.

The report will enable Charities and Fundraisers to understand the different motivations that compel someone to support and donate, which will increase the opportunity to explore new and exciting ways to inspire people to donate. Exploring new avenues to fundraise will give charities the power to respond and survive the adverse challenges that appear in the fundraising space.



Companies House Accounts filing updates - iXBRL

Since 1 April 2011, companies have had to file their company tax returns electronically. The accounts and computations elements of such returns must be filed in iXBRL, which is an IT standard designed specifically for business financial reporting.

There are a number of exemptions from filing iXBRL accounts, most notably for unincorporated charities and small charities (income of less than £6.5m). However for those who are not exempt, earlier this month Companies House updated the TIS (Technical Interface Specification) for accounts guidance. The changes are in relation to the Taxonomy Suite which means iXBRL software providers are going to need to update their software. This process is likely to be complex and may well increase the time and cost of the tagging of accounts.

To ensure that key information is provided, specific XBRL elements must be provided for the current accounting period. Those specific to Charity accounts are: Company number, Company name, Balance Sheet date, Balance sheet date of approval, Balance Sheet name of director approving, company dormant status, start of reporting period, end of reporting period, company trading, accounts audited/unaudited, accounting standards applied, and charity number.

If the Accounts Status Audited Or Unaudited element indicates that the accounts are unaudited, then different details must be provided these can be found in the guidance published.

We would recommend those connected with incorporated charities check with their software suppliers to ensure they are aware of the need to update their software.

Changing of the CEO at the Charity Commission

Helen Stephenson is due to step down as CEO after seven years in July 2024, with former Commission Deputy CEO David Holdsworth stepping up as the new CEO.

Stephenson has reflected on her experience during a talk at the [Civil Society Media's Trustee Exchange](#), where she discussed the increased personal scrutiny and unrealistic expectations that are being put on sector leadership roles. Leading a charity, particularly a larger charity, is already difficult and highly pressured position to be in, and Stephenson believes that this increased personal scrutiny may deter individuals from taking sector leadership roles as they are going to face unpleasant and

unrelenting criticisms. Stephenson said she was also apprehensive about the Commission's resources relative to the size of the charity sector, and "growing expectations as to the nature and extent of our oversight". She drew comparison to the Commission being seen as an Ombudsman for individuals not satisfied with their experience of a charity, or an inspectorate of the charity reviewing on a regular basis.

"Neither of these expectations is realistic or manageable under the current framework, and this worries me. Over coming years, the Commission is going to have to work hard to explain its role – what it can do, and what it can't and won't."

Lankelly Chase: "System is broken"

Lankelly Chase Foundation have declared that the system is broken and that they are shutting up shop. Last July it was announced that Lankelly Chase would close in the next five years and redistribute its more than £100m of assets.

The former chair of the Foundation, Myron Rogers, concluded that it had decided that redistributing its assets was the best way to ensure that the "money can flow freely to those doing life-affirming social justice work".

Rogers felt that the system of "philanthropy" is separated from reality and that there needs to be a reimagination of what it means in today's society, and what it might mean in the future. Rogers drew focus on the way income is earned, e.g. on the stock market, and its use towards the charitable purposes could be seen as contradictory to the overall ethos of the charity sector.

He said that if charities try to operate within the system, "the requirements of that system will just creep in and take over", and Lankelly Chase "struggled to overcome separateness for years".

Review of CRM Systems

Fundraising Magazine and Charity Finance jointly surveyed 509 charity subscribers and contacts in March as part of their annual CRM survey, now in its 17th year. It was found that almost half of those surveyed are reviewing their CRM system in the next 12 months, with 45% expecting that they will be making a change.

The survey looked at the benefits and barriers that charities might face by changing CRM, these have been noted below:

- ✓ A good CRM system can help charities to connect and nurture their relationships with supporters, as well as optimise regular giving and Gift Aid. This in turn will strengthen income streams, which is essential to survive.
- ✓ With better data systems and increased automation, the charity will have more opportunities to support large groups of people in a variety of ways. Less time could be spent on the manual inputting of information.

- ✗ Changing CRM system can be time-consuming and daunting to implement. It can also take some time for staff members to learn how to use the system to its fullest potential. The initial warming up process can be inconvenient to the day to day running of the charity.
- ✗ It may be difficult to contact all stakeholders and get them set up on the new system. They may need to be incorporated individually to the new system, which may be a large project to contact and confirm their regular donor or member information.

Some 68 charities said they have changed package in the last year, with over three-quarters saying they were satisfied so far and a further 19% saying it was too early to tell. Just over four in 10 found the process smooth while more than a third experienced "some or huge" disruption.

MHA Not for Profit Contacts



Sudhir Singh

Head of MHA Not for Profit, Partner

E: sudhir.singh@mha.co.uk



London & South East

Stuart McKay, Partner

E: stuart.mckay@mha.co.uk



North West

Nicola Mason, Partner

E: nicola.mason@mha.co.uk



South West

Bianca Silva
Head of Education, Partner

E: bianca.silva@mha.co.uk



North East

Rebecca Hughes, Partner
E: rebecca.hughes@mha.co.uk



London

Chris Rising, Internal Audit Director
E: chris.rising@mha.co.uk



South East

Cara Miller, Partner

E: cara.miller@mha.co.uk



Cardiff

Julia Mortimer, Partner

E: julia.mortimer@mha.co.uk



Swansea

Rachel Doyle, Partner

E: rachel.doyle@mha.co.uk

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