

Are you able to survive the recession?

As we all wait to find out the full extent and nature of the public spending cuts we can be certain that the charity sector will be hard hit.

Over the last 10 years the third sector has increasingly been involved in delivering vital services to the most needy and vulnerable in our communities, often in the most deprived areas. Charities have been commended on their ability to provide these services cost efficiently and effectively and as a result are often a first choice provider with commissioners. The financial pressure has been felt by many over the last year and for some the coming year will be critical in terms of their future survival. There are many steps that trustees can take and issues that should be considered as organisations prepare to survive the increased austerity.

As a first step trustees should consider what type of organisation you are – are you limited or unlimited? Do you understand how financial risk arises? Are you familiar with your charity's financial profile? If you are, are you happy with it?

An organisation is generally considered in law to be insolvent when it cannot pay its debts as and when these are due to be paid or when its liabilities exceed its assets. Professional advice should be sought if you believe that your charity is heading in this direction. For trustees insolvency can give rise to certain personal liabilities. If your charity is unlimited then the financial liability on insolvency is personal to the trustees on a joint and several basis, this means that the trustees will be personally responsible for discharging any debts that the charity cannot meet. Limited liability status is capable of protecting the prudent trustee from personal liability on insolvency although questions are likely to be asked about what decisions were made and when.

The Charity Commission has issued helpful guidance for trustees on the issues that trustees need to be considering during the economic downturn. The publication is entitled "Big Board Talk" and is in the form of 15 questions that address four key areas: strategy – opportunities and risks; financial health; governance; and making best use of resources.

Key questions we would consider trustees should ask themselves include, what is your legal structure; can you increase your cash;

can you squeeze your creditors; can you cut expenditure; and can you renegotiate or abandon onerous contracts.

In addition, we would encourage charities to consider whether a merger or acquisition is beneficial for their charity. This is an issue that prudent trustees should be considering on an ongoing basis as a matter of good governance but in the current economic downturn there may be significant advantages. There are the obvious economies of scale which are likely to be achieved as well as the creation of a larger organisation which might be more attractive to commissioners.

A merger is the coming together of two or more organisations to create a new organisation. In reality it is usually the case that one charity will be taking over the other with the assets and liabilities of the merged organisations moving into the new organisation. There are significant issues which will form the basis of the merger negotiations and often these will be barriers to success. These issues include the positions and roles of the existing trustees and chief executives, the nature of the trusts and compatibility of the organisations involved, the transferability of assets (for example will a landlord give consent to a lease being transferred) and the view of donors and supporters (is there likely to be a loss of revenue).

While these issues can be thorny they are perhaps more straightforward than the issues that trustees need to consider if they have to close the charity for financial reasons. In these circumstances, issues around reserves, the future of services being provided, the position of charity employees and the payment of redundancy money, potential liability for wrongful or fraudulent trading and when the charity's duty to beneficiaries moves and becomes a duty to its creditors will need to be considered.



We are launching a Recession Survival Audit in July 2010 and if you would be interested in receiving more information about this or would like advice on any of the issues raised above please contact Stephen Claus,

Head of Charity and Social Enterprise on 0151 600 3341 or stephen.claus@brabnerscs.com

Health and safety at charity events



When it comes to charity summer events, many people are unaware of the health and safety laws governing its practice.

It is important to get a better understanding of the health and safety legislation you need to follow before you start planning any event. The different procedures will be dependent on the type and size of your event and you should seek out as much information as possible at the beginning.

Food health and safety

If you are planning an event where individuals will sell homemade food items to raise funds, you may be concerned about the health and safety of doing so. If someone became ill from the food or there was some other problem with the food, the obvious concern is whether you would be held responsible as the organiser of the event. In general, however, Food Hygiene and Labelling Regulations are not applicable to food that is prepared outside of a business.

This means that food being sold at one-off occasions like fundraising events, fetes, fairs and school charity events do not fall into this category. If you do sell food for charity on a regular basis, for example chutney you package and sell regularly, then you may have to adhere to the requirements of the Labelling Regulations.

A prudent organiser might choose to voluntarily label his products – if you are unsure as to whether or not you need to comply this is advisable. All that is required is a list of the ingredients of the product in descending order of weight and an outline of any that could cause allergic reactions, particularly nuts. If you are still not sure, it would be advisable to check with your insurance

company to ensure that they will cover you on the rare occasion where you may have someone who gets food poisoning.

Public safety at the venue

When organising the event, it is important to consider whether there are places where people might slip or fall? If so, liaise with the venue managers to remove the risk or clearly mark these areas with a warning sign. Also, you should check whether the fire exits are clearly marked and whether you have been provided with a copy of the hired venue's health and safety policy and fire evacuation plan. You should obtain copies of these in advance to ensure that health and safety risk at the venue is managed suitably and sufficiently.

If you are organising an event to which people will travel, you must make sure that the risk has been adequately assessed, for example, have you ensured that there is a safe route for pedestrians in car parks? Is someone marshalling the cars? If so, ensure they are clearly visible.

If you can afford to spend a little money on organising security for the event it may be worthwhile. Getting in security to check people are safe, acting in a responsible manner and that all money collected is safe and secure can go a long way to helping you have an enjoyable charity event.



If you have any health and safety queries with regard to organising charity events or otherwise, please contact Claire Gregory, Head of the Environment & Regulatory team on 0161 836 8858 or

claire.gregory@brabnerscs.com

bcs training An Update

Training is now becoming an integral part of our clients' thinking, and essential to the efficient running of their organisations.

We have recently undertaken bespoke training for a major Public Body on governance structures and essential legal compliance requirements so that their Community Resources Unit is better equipped to assess grant applications from different groups and organisations. This has led to them re-defining their grant making programme.

We are planning courses which will run in the autumn and winter and a full programme will be available shortly. Our programme will include our company secretarial course which proved popular earlier this year, trustee training and a new charity accounting course aimed at finance

managers who have previously worked in practice or industry and who are new to the charity regime.

We are currently in discussions with a distance learning provider with the hope of being able to make the BCS Training courses available to the third sector on the internet for those who are not able to attend a course. We will provide you with more information on this initiative in due course.



For further information on BCS Training please contact Gillian Ashall, Training and Charity Support Executive on 0151 600 3362 or gillian.ashall@brabnerscs.com

STOP PRESS! . . . STOP PRESS! . . . STOP PRESS! . . . STOP PR Vetting scheme halted



The new Vetting and Barring Scheme for people working with vulnerable people is to be radically reviewed.

The surprise announcement was made on 15 June when it was reported that the scheme would be halted to allow the government to remodel it back to "proportionate common sense levels".

Voluntary registration for new employees or volunteers which was due to begin on 26 July has now been stopped. However the Independent Safeguarding Authority (ISA) will continue to maintain the barred lists, one for children and one for vulnerable adults and employers are still legally obliged to refer to the ISA if they have removed an individual from post because they have harmed or there is a risk that they have harmed a vulnerable person. In addition existing criminal records checks will remain and those entitled to carry out such checks should continue to apply for them.

This measure came as a result of criticism that the scheme was disproportionate and overly burdensome, and unduly infringes on civil liberties. It is said that the scheme is to be fundamentally remodelled.

We will continue to report on any developments. In the meantime, you may wish to look at recent information published on the Home Office website <http://www.homeoffice.gov.uk/>



Autism Initiatives UK

real partnerships, unique solutions, positive outcomes

Autism Initiatives UK is the largest charity of its kind in the UK supporting over 600 families and providing a range of services, unique in their quality, to children, young people and adults with Autism Spectrum Condition (ASC). Our mission is to meet the needs of people with autism, their families and carers, through our services, which are personal, professional and innovative.

Since we established the Peterhouse School in 1972 we have worked really hard developing the breadth of our services, our approaches and our systems. Together this enables us to work alongside the people we help in supporting their development as successful people with autism.

We recognise the undoubted strengths and skills that people with autism possess in many areas, and we use these strengths to support any areas of difficulty that they may experience, ensuring that they achieve their potential and lead meaningful and fulfilled lives.

Throughout all of our work we consider it vital that we get to know the person with an autism spectrum condition and understand how their autism impacts on their life. We feel that every person with autism is unique, and that their autism impacts on them uniquely. Real partnerships with our service users, their families and carers and with other stake holders are intrinsic to our success.

We pride ourselves on the quality of all of our services, which are person centred and focused on achieving positive outcomes for the people that we support. Our systems and person-centred approaches facilitate involvement at a level where service users can experience success.

It is in providing services which are truly person centred and user-led that we learn from, and are inspired by, the people we support. It allows us to continually evaluate our practices and our understanding of autism and it ensures that we remain innovative in our approaches. This is the key to our many successes, this is what sets us apart and this is what makes us unique.



The people we support like the way we involve them in the planning and delivery of their own service in ways that are meaningful to them.

The families of the people we support like our commitment to supporting healthy lifestyles, and the fact that we work in partnership with them to provide services and develop the organisation.

The Local Authorities and health professionals that we work with like our commitment to be as flexible as possible, and to tailor each service to the needs of each individual person with autism.

The staff who work for us like our positive approach and commitment to their development and success.

The people who support us like sharing a real sense of pride in our achievements, goodness knows we certainly couldn't do it without them.

Our expectation is that people with autism can learn and develop to lead fulfilled lives. We support this process every single day. If you would like to help please contact Sue Murphy on 0151 203 2353 or susan.murphy@autisminitiatives.org or for more information visit us on www.autisminitiatives.org

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Brabners Chaffe Street LLP is a leading law firm based in the North West. Its business focus is on providing the full range of legal services to the mid corporate sector, specialised services to the plc and larger corporate, plus private client services to business owners and other high net worth individuals. Brabners Chaffe Street also operate in the Charity and Social Enterprise Sector.

For further information in the first instance contact

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