

Welcome to the November 2017 edition of our  
Charity Essentials newsletter



Welcome to the final edition of Essentials for 2017.

In this edition we look at the legal status of volunteers after a group of well-known charities sent a joint submission to the House of Lords calling for a legal definition of full-time volunteering. The property team considers [what the future might hold for charity law transactions](#) following the recommendations set out in the Law Commission's review of technical issues in charity law. There is the usual round-up of recent developments that will be of interest to charities. [Clive Vergnaud](#) recently wrote an article for Charity Finance looking at fundraising regulations across the British Isles – there is a really useful comparison table which sets out the requirements of each jurisdiction. This [article](#) is reproduced with kind permission of Charity Finance magazine.

Finally, I would like to draw your attention to our excellent Charity Essentials Training which will run throughout 2018 on various dates and different locations. Please follow the link at the bottom of the email to see what we will be covering and to book a place on one of the training sessions.

Seasons greetings and best wishes for a successful and impactful 2018.

[Sarah Clune](#)

---

## Legal status for volunteers?

Employment status is a hot topic at the moment, with headlines featuring some well-known companies such as Uber and Addison Lee. It does prompt the question: what is the legal status of charities' volunteers? Although charities' full-time volunteers give so much of their time to a cause, they are not generally considered to be 'employees' or 'workers'. Does their involvement warrant some kind of legal status? Some charities believe so.

[Read more](#)



---

### *Timetable for companies converting to charitable incorporated organisations published*

The Charity Commission has announced a [phased timetable](#) allowing charitable companies to convert to charitable incorporated organisations (CIOs) following legislative changes in Parliament on 23 November. The new legislation also means that all CIOs will be listed on the Business names index, held by Companies House.

The conversion process should be straightforward in most cases. As part of this process, the new CIO constitution and special resolution will need to be included before submission to the Commission. The Commission will liaise with Companies House to ensure that necessary records are updated correctly. This will mean that the date of conversion of the charitable company to a CIO – as shown on the public Register of charities – will match the date of removal of the charitable company at Companies House. There is useful guidance from the Commission about what must be included to ensure that an application is not rejected.

### *Charity Commission to consult on charging in 2018*

On 3 November 2017, the chief executive of the Charity Commission, Helen Stephenson, [announced](#) that next year the Commission plans to consult on proposals to increase its funding by charging larger charities for its services. In a blog, Stephenson said that in order to improve the Commission's existing services and develop new services for charity trustees, it needs to raise in the region of £7 million annually from the largest 2,000 charities on its register. This would equate to a flat annual fee of £3,500 per charity, although other options are being considered.

In the meantime, the Commission has asked the Treasury for transition funding to help the regulator meet the significant increase in demand for its services.

The Commission had been expected to consult on charging proposals during 2017. Any charging proposals are likely to meet strong resistance from parts of the charity sector. Charity sector representative groups have written to the Treasury asking for more funding for the regulator to be included in next week's budget to avert the need for charging.

### *ICO replaces Overview of GDPR with Guide to GDPR*

The ICO has replaced its Overview of the GDPR with a [Guide](#) to the General Data Protection Regulation (GDPR). The Guide contains similar content to the Overview, but now includes expanded sections on consent and contracts and liabilities on the basis of the guidance it has already published. It has also been updated to reflect recent consultations such as the Article 29 Working Party's (WP29) consultation on profiling which closed this week.

The Guide retains the useful 'What's new' section which sets out the timetable for up and coming ICO and WP29 guidance. It also explains that the Guide "is not yet a finished product; it is a framework on which we will build upcoming GDPR guidance and it reflects how future GDPR guidance will be presented. We will be publishing more detailed guidance on some topics and we will link to these from the Guide. We will do the same for guidelines from the Article 29 Working Party."

### *Gift Aid – changes to donor benefit thresholds*

In last week's Budget, the Government announced that it will replace the current three tier thresholds with two thresholds. Under this reform donors will be no worse off in terms of the value of benefits that charities can offer them as the new limits will be, for every eligible donation, at least as generous as the current limit

Under the new limits the benefit threshold for the first £100 of the donation will remain at 25% of the amount of the donation. For larger donations charities can offer an additional benefit to donors, up to 5% of the amount of the donation that exceeds £100. The total value of the benefit that a donor can receive remains at £2,500. The changes will have effect from 6 April 2019. Further analysis and a table of examples of how it will work can be found on the Charity Tax Group's [website](#).

### *The Mendoza Review: an independent review of museums in England*

Earlier this month, an independent [review](#), led by Neil Mendoza, outlining key recommendations for how government can support the museums sector in England was published. The Review was undertaken in response to the Culture White Paper in 2016, which called for "a wide-ranging review of national, local and regional museums, working closely with Arts Council England (ACE) and the Heritage Lottery Fund (HLF)". It looks at what the national infrastructure for museums is

and what it could and should be; the museums sponsored directly by government; and the challenges and opportunities for all of England's museums.

For the Strategic review of DCMS-sponsored museums please see [here](#).

### *Sleep-in care - government proposals*

The government has launched a new [compliance scheme](#) for social care providers that may have incorrectly paid workers below legal minimum wage hourly rates for sleep-in shifts. Charities that owe back-pay to sleep-in care workers have been given 15 months to pay up to six years' worth of arrears totalling an estimated £400m, under the scheme. HMRC will start writing to social care employers that have complaints against them for underpaying sleep-in care workers to encourage them to sign up to the programme. The government says that employers that choose not to take part "*will be subject to HMRC's normal enforcement approach*".

The statement said the government is looking at ways to minimise the impact on the sector, and is discussing with the European Commission whether any government support for the social care sector would contravene EU state-aid rules.

The proposals have been met with dismay by many care charities including Mencap who released a [statement](#) which said that "*the 'voluntary' compliance scheme may be seen as a financial suicide note for some providers*".

---

## Upcoming Events

### **Accounts: What You Need to Know**

Trustees are responsible for the financial health of their charity. This session will be co-presented by Stone King charity lawyers and RSM UK.

- understand trustees' responsibilities
- how to read financial information
- ask the right questions

Next sessions:

- [London, 13 December 2017](#)
- [Bath, 10 January 2018](#)

Contact us for more information at [events@stoneking.co.uk](mailto:events@stoneking.co.uk).

# Charity Essentials Training 2018

Our introduction session is essential for all charity trustees. The importance of the sessions offered at the Symposium varies depending upon the activities of your charity, but we recommend attending this session as it will highlight what you need to know as a charity trustee so you can recognise when further input is needed.

Built around the Charity Commission's core guidance, CC3 "The Essential Trustee", you will gain an understanding of the regulatory environment of the charity sector and use case studies to examine what good governance looks like in practice;

- the role of the Charity Commission as regulator
- key duties and liabilities of charity trustees
- your role as a charity trustee

All sessions are interactive and a forum for you to ask as many questions as you can from expert advisors.

Please visit our website for dates and booking information



© Stone King LLP 2017

This publication is for guidance only. The law and practice referred to has been paraphrased or préciséd and should not be construed or relied upon as legal advice.

