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Charities & Education

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Potential for social care catastrophe due to points based immigration

The new points based immigration system that was announced by the Government in February 2020 could prove to be catastrophic for the social care labour market, according to various charitable and voluntary groups.

Voluntary Organisations Disability Group (VODG) has warned that the social care sector is already facing significant chronic staff shortages and the new points based immigration system could mean that nobody is able to come to the UK to work as a carer as they will not meet the required points criteria.

Under the new points based system, EU migrants will be subject to the same conditions as people from the rest of the world and will need to demonstrate that they have 70 points to be eligible for a work visa. Applicants must be able to speak English and have a job offer from an 'approved employer' at an 'appropriate skill level' in order to be granted 50 points, but to gain the remaining 20 points required they would have to earn at least £25,600 a year, or have certain skills or qualifications.

According to VODG, existing workforce shortages in social care will be exacerbated by the new immigration proposals as underfunding in the sector is already causing problems for employers who are struggling to recruit and retain staff. VODG has warned that as a result of the new immigration system, essential social care services could be ended.

Research by the Charity Finance Group (CFG) has revealed that the majority of migrant workers in the charity sector are employed in social or residential care roles and the CFG has warned that unless the Government makes a significant investment in local government at future Spending Reviews, the outlook for social care providers in the UK could be catastrophic. Care England has also expressed concern about the post Brexit immigration scheme and has called on the Government to invest significantly higher amounts in social care in order to pay staff the salaries and benefits they deserve. According to the National Care Association (NCA), workforce shortages and funding issues are causing social care providers to leave the market just when demand for care services is rising rapidly.

The NCA also claims that the Government is closing its eyes to the fact that social care needs to be on the shortage occupation list and is calling for more funding to support the growth of a domestic workforce strategy.

Read more about the warnings at: http://bit.ly/2Q5bC5G

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Trading income boosted by new type of grant

Average income growth of more than 60% has been achieved by charities and social enterprises that have received a 'Match Trading' grant, according to evaluation of the scheme.

The Match Trading programme was launched in 2017 by the School for Social Entrepreneurs (SSE). Grants are awarded through the Lloyds Bank Social Entrepreneurs Programme and the Community Business Trade Up Programme, which are jointly funded by the National Lottery Community Fund. Match Trading provides free networking and learning programmes in addition to grants that match the increase in an organisation's trading income pound for pound and aim to encourage less dependence on grant funding.

The effectiveness of the Match Trading programme has been evaluated as part of research that compared the performance of 143 organisations that had received a Match Trading grant capped at either £4,000 or £10,000, with the performance of a control group comprised of 30 organisations that received a traditional grant of £10,000.

The study found that Match Trading grant recipients increased their trading income significantly and were more likely to do so than organisations that received traditional grant funding.

According to the research, the trading income of the 143 organisations that received Match Trading grants grew by a total of £5.5 million. On average, Match Trading grantees increased their trading income by 64% or £17,000 year on year, while recipients of traditional grants grew their trading income by only 21% or £6,500 year on year.

SSE claims that Match Trading grants work best as part of a learning programme as the grant enables the organisation to increase their trading potential, while the supportive learning programme helps to develop entrepreneurial skills.

Read more about the programme at: http://bit.ly/38GXypl

CRA launches safeguarding certification scheme for charity retailers

The Charity Retail Association (CRA) has launched a new safeguarding certification scheme for charity retailers. The Charity Retail Safeguarding Scheme (CRSS) is open to CRA members only. It allows charity retailers to demonstrate their commitment to protecting employees, volunteers and customers by obtaining certification for the safeguarding practices applied at their shops.

To qualify for certification, the safeguarding practices must have been developed and approved by the charity retailer's senior managers or trustees, who must prove that the practices are applied at every shop.

Safeguarding practices should cover topics such as periodic risk assessments, interviewing for volunteer and staff positions, and training for managers.

For charity retailers without adequate safeguarding practices, the resources available through the scheme will provide a framework for developing and implementing appropriate policies. The resources include access to free online safeguarding courses for charity shop managers, staff and volunteers.

According to a frequently asked questions document covering the CRSS, there is a recognised need for charity retailers to improve and formalise the way that charity shops keep their staff, volunteers and customers safe. Many charity retailers already have a safeguarding scheme in place. For example, Barnardo's shops are covered by the charity's Licence to Operate scheme, which formed a basis for the CRSS. However, some charity retailers do not have anything in place, and the CRSS is intended to 'plug those gaps'. The CRSS is suitable for charity retailers of all sizes, meaning it can support a sector wide approach to safeguarding.

Read more about the CRSS at: http://bit.ly/2Qa3vVr

In brief...

Legacy donations expected to increase

The Legacy Foresight has revealed that legacy donations to charity will be worth £500 million more than previously forecast between 2019 and 2024. Overall, legacy income is now expected to grow by 3.6% per year to reach £3.9 billion in 2024, which is higher than the initial growth forecast of 3.3%. In addition, around 130,000 charitable bequests are forecast to be made as part of a will or trust in 2024, up from 120,000 in 2019. The figures have revealed that while the number of charitable bequests fell significantly in 2019, legacy income still increased by 6.6% year on year. Read more about the figures at: http://bit.ly/39Mo4iq

Charities urged to improve cybersecurity measures

The National Council for Voluntary Organisations (NCVO) has urged charities to strengthen measures to identify and prevent cyberattacks. The warning comes after research revealed that cyber criminals are using increasingly sophisticated methods to target and scam charities, with email fraud expected to become more common in future. According to NCVO, charities are particularly vulnerable to cyberattacks because they often use outdated tools, software and systems that are easier for cyber criminals to exploit. In response, NCVO is encouraging charities to implement new cybersecurity measures, such as staff training, installing malware protection and ensuring all passwords are secure. Read more about the warning at: http://bit.ly/2Q75N7M

New programme to boost digital skills

The National Lottery Heritage Fund has launched a new programme to support heritage organisations to improve their digital skills. The Digital Skills for Heritage programme will provide specialist advice, mentoring and training in locations across the UK to help heritage organisations adopt new digital technologies. It will also provide a series of resources, case studies and guides for organisations that cannot attend in person training and events. A new peer to peer training network will also be set up to support heritage executives to become digital leaders. Read more about the programme at: http://bit.ly/2wOiZaT

Charities exempt from new anti-money laundering rules

HMRC has confirmed that charities will not be required to sign up to a new register of trusts as part of the Government's new anti-money laundering regulations. It was previously expected that all charitable trusts would be forced to register with the Trust Registration Service (TRS) in order to comply with the Fifth Money Laundering Directive (5MLD). However, industry experts warned that this would place a significant administrative burden on charities, and they should be exempt because the risk of charitable trusts being used for money laundering or terrorist financing activity is very low. Read more about the exemption at: http://bit.ly/2Q3Aefd

Charities growing target for email fraud

The Charity Commission for England and Wales has issued an alert to warn charities that they are a growing target for cyber criminals. In particular, fraudsters are impersonating members of staff and sending fraudulent emails that attempt to trick charity HR and finance departments into changing an employee's bank details. The emails are usually sent via a spoofed email address or one similar to the address of the employee who is being impersonated. In response, the commission is encouraging charities to take steps to identify fraudulent emails, such as by confirming the sender is legitimate and not opening any suspicious links or attachments.
Read more about the warning at: http://bit.ly/2W8CAgC

New safeguarding portal for trustees

The Office for Civil Society has launched a new online portal to help trustees in England respond to safeguarding allegations about the behaviour or actions of a person in their charity. The portal includes an interactive tool that sets out the steps a trustee should take to handle an allegation, as well as clarifying how incidents should be recorded and reported to other relevant agencies. It also includes signposting to further sources of advice and support for charities and trustees. The Office for Civil Society is working with a range of organisations in the charity sector across England to raise awareness of the new portal. Read more about the portal at: http://bit.ly/3aLSFwP

Rising number of academy trusts report deficits

An increasing number of academy trusts across England reported a deficit in their finances in 2018, according to a report by Kreston Academies Group.

The finances of more than 360 trusts, which manage around 1,500 schools, were analysed, and the resulting report indicated that at least 30 trusts had recorded a deficit in 2018, while 28 had cumulative deficits, up from 21 in 2017. According to the Department for Education, there are currently 8,461 academies in England.

The report found that funding for academies is extremely tight and warns that the sector's financial position is highly volatile and could deteriorate further unless additional grants are announced. Financial pressures could lead to uncertainties over income and costs, including pensions and salaries.

The report indicates that the growing financial pressures faced by the sector could also lead to significant restructuring of trusts in coming months. Official figures confirm this trend, as the number of schools that were transferred between trusts rose from 21 in 2014 to 307 (3.5% of the total number of academies in England) in 2018.
In addition, there has been a gradual trend towards schools joining together to form multi-academy trusts (MATs). The average number of schools forming MATs rose from 3.28 in 2016 to 5.51 in 2018. Meanwhile, the financial position of MATs has improved over the past three years, resulting in an average surplus of £196,000 in 2018/19 compared to a deficit of £145,000 in 2017/18.

However, the increase in average surplus figures has mainly been due to the receipt of non recurring additional income, such as one off grants for capital expenditure, and almost half of all MATs have at least one school that is failing financially.

Read more about the report at:
http://bit.ly/3cW1Pca

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Pay levels at academy trusts revealed

The 'Kreston Academies Benchmark Report 2019' has revealed that chief executives and head teachers in England's largest multi-academy trusts (MATs) received significant pay rises in 2019. This is despite attempts by the Department for Education (DfE) to curb high salaries. For example, in February 2018 the DfE challenged 87 trusts about the six figure salaries paid to senior members of staff.

The report reveals that the average salary for chief executives and head teachers in larger trusts with between 5,000 and 15,000 pupils rose by 22% to £142,467 in 2019. In contrast, average salaries in smaller trusts with up to 5,000 pupils remained stable. For example the average salary for head teachers in trusts with between 501 and 1,000 pupils increased by 2% to £82,471 in 2019.

The report also revealed that in 2018 head teachers in several trusts took voluntary pay reductions and new head teachers had been hired on lower salaries to try to reduce pay levels. However, in 2019 some trusts have re-aligned salaries while still complying with the Department for Education's request to reduce pay levels.

The report also revealed that only 10 trusts implemented General Annual Grant (GAG) pooling in 2019, despite it being advocated by the Education and Skills Funding Agency (EFSA). GAG pooling allows a trust to depart from the EFSA's formulaic grant allocation by taking all the general grant funding for schools within the trust and then redistributing it back to schools. The slow take up of GAG pooling is attributed to academies' reluctance to join a MAT if it means losing control of their funds, and internal political challenges within trusts themselves.

Read more about the report at:
http://bit.ly/3aICK2e