



Welcome

Welcome to Haslers Focus on...bulletin, looking at news and information relevant to specific business and industry sectors.

This Focus on Charities bulletin

takes a look at how council cuts are affecting charities and the benefits of being open about your overheads.

If you have any feedback on this issue of Focus on Charities,

or would like to know more about our services or how we can help you, please contact us on **020 8418 3333** or email **Laura Ambrose (Partner, Business Services Group)** laura.ambrose@haslers.com

Trustees urged to be open on overheads

The chair of the Charity Commission has told charity trustees to help the public understand that charities can't exist on "thin air" and that spending money on overheads is essential to their work.

Speaking at a charity conference in London in July, Dame Suzi Leather said many trustees were reluctant to be open about the financial realities of charity work. She added: "I think it's fair to say that charities sometimes feel uncomfortable about this issue.

"Charities worry that people just don't want to understand that, for example, you can't provide effective support to young offenders without having well-qualified, full-time professionals on board.

"It's not helped when charities claim that 'every penny donated goes to the cause'. Not knowing



that means the administration is simply paid for in another way, the public is encouraged to believe charities can live on thin air and love alone.

"But, here's my view: the public will never understand why charities have 'overheads' unless trustees themselves have the courage to talk about them. Overheads are part and parcel of being effective.

The public and funders aren't going to suddenly 'get it' unless it's explained to them."

While overheads are inevitable for any organisation, it's always worth looking at ways to reduce these, for example, by outsourcing services such as payroll and bookkeeping. Please contact us if you would like more information on these services.



Councils cut deep into charity budgets

More than 2,000 charities and community groups are facing cuts totalling millions of pounds as local authorities reduce funding – or completely withdraw it – according to research from campaign group False Economy.

Its figures, based on Freedom of Information responses from councils across England, show that charities face net funding reductions of more than £110 million this year. The final figure is likely to be higher as some large authorities had not finalised

spending plans when the research was published early in August.

The list of charities facing funding cuts includes:

- 112 adult care charities
- 142 elderly-related charities
- 382 children's and young people-related charities
- 151 disability-related charities

Peter Kyle, deputy chief executive of the Association of Chief Executives of Voluntary Organisations, said reducing funding to charities would simply create costs elsewhere. He told the BBC: "Nobody knows how

to deliver more for less, how to deliver bang for the buck, than the voluntary sector. What the government needs to do is to learn from that expertise, not actually eviscerate their ability to deliver at this tough time."

Therefore, with budgets coming under increasing pressure, it makes more sense than ever for charities to work with experienced financial professionals, who can take an objective view of their circumstances and identify opportunities to improve financial efficiency. Please contact us if you would like to discuss how we can help you.

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