

Covid 19 and Decision-making for Charity Trustees

Document Data

APPLICATION In order to reduce the spread of Covid-19, the latest government advice is to practise social distancing. This raises a raft of issues for charities, communication and decision making being one of them.

DATE REVISED [24/03/20] [75] / DATE OF LEGAL COMPLIANCE CERTIFICATION [24/03/20] [81] / DATE ORIGINATED [18/03/20] [89]

1. INTRODUCTION

1. The coronavirus raises a raft of issues for charities, communication and decision making being one of them. Others include:
 1. redundancies and access to Government reliefs
 2. safe working practices
 3. termination of leases and other landlord and tenant problems
 4. data protection when working remotely
 5. insolvency and charity mergers.
2. In order to reduce the spread of Covid-19, the latest government advice is to practise social distancing. This means only leaving the home to exercise, buy essential groceries or for medical reasons, with the police now holding powers to enforce these restrictions.
3. These are the most draconian measures introduced to date to help combat the spread of the virus. For many businesses and charities alike, it is a challenging time as organisations must adapt to remote working. The current state may also mean an increase in charitable activity.
4. In order for charities to make decisions remotely in accordance with their governing document, trustees should take into account the considerations outlined below.

2. CHARITY DECISIONS

1. Where a charity needs to make a decision, the new measures in place mean that trustees are not able to meet in person. Trustees should consider taking the following steps to ensure charity decisions can be made remotely.
 1. Check the charity's governing document for alternatives to face-to-face meetings. It may be possible to pass resolutions in writing.
 2. If your governing document does not permit trustees to meet except in person, consider if it would be possible to amend this.
 3. Charitable [private] companies can amend their articles without a meeting by written resolution of the members under section 288 Companies Act 2006. Trustees should check if the consent of any person is needed under the articles in order to make this change, and remember to notify the Charities Commission and Companies House of the change within 15 days of the resolution being passed. This can be done online.
 4. CIOs and unincorporated charities should follow the amendment provisions in their constitutions.

3. CHARITY COMMISSION GUIDANCE – VIDEO CONFERENCING

1. The Charity Commission has issued advice as to whether video, teleconferencing and the internet can be used in place of face-to-face meetings.
2. As outlined above, the first point of call should be to check the governing document for existing clauses regarding the use of video conferencing or phone calls.
3. If no clause exists and should a charity decide to hold meetings over the phone or use digital solutions, the Charity Commission 'understand[s]' but this decision must be recorded in order to demonstrate good governance of your charity.
4. In terms of holding AGMs, the Charity Commission advises that should trustees decide it is necessary to cancel or postpone an AGM, this decision should also be recorded to demonstrate good governance. The Charity Commission also advises to try and submit annual reports on time, however if this is not possible due to the current situation, to contact the Charity Commission.

4. PRACTICAL CONSIDERATIONS – VIDEO CONFERENCING

1. Ensure you have good tools in order to conduct video conferencing. Video meetings can be achieved using Zoom, Skype or other applications accessed by sharing a link.
 1. Bear in mind that participants with disabilities such as deafness and blindness may need specialist technological help and access to necessary computer equipment in order to participate. Charities should seek to understand whether there are any impediments which would exclude one or more trustees from the discussion and seek to come up with solutions that facilitate the participation of all trustees in the discussion.
2. Have a clear agenda for the meeting that is circulated to all participants. Holding a remote conference with multiple participants may present challenges with technology and internet connection, therefore it is important that all participants have an agenda to follow in case of any glitches. Notes to accompany the agenda may also help to equip the trustees to take part in the meeting.
3. Remember to record the minutes of the meeting and circulate afterwards, as you would for a face-to-face meeting. Ensure there are clear action points to ensure the smooth running of the charity while working remotely.

5. NEXT STEPS

1. You can access the full guidance from the Charity Commission on how to operate your charity during the Covid-19 outbreak here: <https://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-the-charity-sector>.
2. LBMW are on hand to advise with any aspect of the above, including the issues listed in paragraph 1.1 above.