

The Children's Safety Education Foundation

Registered Charity No. 1103344

Introduction

1. This is the statement of the results of an Inquiry under Section 8 of the Charities Act 1993.
2. The Children's Safety Education Foundation ("the charity") is a charitable company incorporated on 10th March 2004 and registered as a charity on 22nd April 2004. Its objects are to promote and further the personal safety, social health and citizenship education of children, young people and their parents throughout the United Kingdom and Eire, encouraging their study needs through the written word and the promotion of public interest in personal safety and public citizenship.
3. The charity operates from premises in Burnley, Stockport, Nantwich, Hanley and East Kilbride. In the financial period ending 31 August 2005, the charity's income was £2,705,864.

Issues

4. In July 2005 concerns were raised with the Commission about the relationship between the charity and [REDACTED] and [REDACTED] ("the publishing companies"). The substance of the concerns was that the charity had been created to raise and channel funds for and to the publishing companies and that the charity was not capable of independent operation.
5. After undertaking an initial evaluation of these concerns, the Commission opened an Inquiry into the affairs of the charity on 20th September 2005. The main focus of the Inquiry was to establish:
 - the precise working relationship between the charity and publishing companies; and
 - how any conflicts of interest were being managed.

Findings

6. The Commission found that the charity had been set up by the publishing companies. It acquired the various parts of the publishing companies related to fundraising and carries out the fundraising work that had formerly been carried out by the publishing companies. The trustees are not shareholders or directors of the publishing companies.
7. The charity has charitable objects and is carrying out activities in furtherance of those objects.

8. After an open tendering process, [REDACTED] was awarded a contract to supply the charity with educational material. The performance of [REDACTED] is monitored by the charity against the terms of the contract. Feedback by schools on the suitability of the educational material is documented by the trustees. Charity records based on the quantity of material issued indicate that educational resources were provided to 290,000 children in the period ending 31st August 2005.

9. The charity provided documentation to the Commission in respect of its occupation of the premises in Burnley, Stockport, Nantwich, Hanley and East Kilbride, but this documentation did not appear to give the charity any formalised right of occupancy over any of the properties. What was clear from the information provided, was that the publishing companies had formal leases in place, but there did not appear to be any formal/legal assignment of those rights to the charity.

10. One of the trustees holds an interest in, and was previously a director of, a company which, along with the trustee, is being remunerated for services rendered to the charity related to fundraising activities. The non-conflicted trustees believe this arrangement to be in the best interests of the charity. There is provision for such remuneration in the charity's governing document and the non-conflicted trustees have confirmed that they have acted in conformance with the terms of that provision, particularly in relation to managing any conflict of interest.

11. When the Commission met with the trustees they showed an awareness of their role and responsibilities including the requirement to act in the best interest of the charity and the need to manage conflicts of interest. Whilst officers of the charity routinely attend trustee meetings, they do not have voting rights. The evidence presented to the Commission indicates that decisions are made by the trustees.

Outcome of the Inquiry

12. The Commission concluded that there were insufficient grounds to investigate further the relationship between the charity and the publishing companies. The trustees hold no interest in the publishing companies, the relationship is conducted at arms length and charitable funds are being used to further a charitable purpose. The Inquiry was closed on 31st March 2006.

13. The Commission advised that the charity's occupancy of the premises in Burnley, Stockport, Nantwich, Hanley and East Kilbride should be regularised.

Wider Lessons

14. Charity trustees are the persons having the general control and management of the administration of a charity. They must ensure that they administer their charity in accordance with the requirements and legislation relating to charities.

15. It is the fundamental duty of all charity trustees to protect the property of their charity and to secure its application for the objects of the charity. In order to discharge this duty it is essential there are adequate systems in place to monitor the way in which charity funds are applied. If the charity is using a single company to assist in the furtherance of the purposes it must ensure that any private benefit to such a company is legitimate and incidental to the charitable objects and activities being carried out.

16. Trustees should meet on a regular basis to ensure that the charity is administered properly. Trustee meetings should be held to discuss the activities of the charity and the financial situation. Trustees should ensure that their management of the charity is transparent, and that decisions are arrived at openly. Minutes of meetings should record any situations of potential conflict, and the steps taken to eliminate them.