

Committee	Date
Bridge House Estates Board	13 September 2022
Subject: Charity Commission requirement to report on Serious Incidents - Reporting Policy	Public
Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?	1, 2 and 3
Does this proposal require extra revenue and/or capital spending?	No
Report of: Karen Atkinson, The BHE & Charities Finance Director (representing The Chamberlain)	For decision
Report Author: Julia Megone, Charities Technical & Strategic Finance Manager	

Summary

This report has been produced to provide the Bridge House Estates Board with an overview of the requirements to report Serious Incidents to the charities' regulator, the Charity Commission for England and Wales. In particular, this report recommends the adoption of a formal policy for reporting and managing any Serious Incidents which might arise for the charity, and which will inform the exercise of delegated authority.

Recommendation

It is recommended that Members, in the discharge of functions for the City Corporation as Trustee of Bridge House Estates (BHE, charity reg. no. 1035628) and solely in the charity's best interests:

- i) Approve the Serious Incident Reporting Policy for adoption for BHE as set out in full at **Appendix 1**.

Main Report

Background

1. All charities are required by the charities' regulator, the Charity Commission for England and Wales, to report promptly, fully and frankly to them if a serious incident takes place within the charity. Responsibility for reporting serious incidents ultimately rests with the charity's trustee(s).
2. The Charity Commission's Guidance defines a serious incident as "an adverse event, whether actual or alleged, which results in or risks significant" impacts across the charity's operations, stakeholders, finances, assets and reputation.¹ The definition goes on to clarify that in the context of this guidance, 'significance' must be assessed in context in relation to the individual charity.
3. Reflecting that a charity's trustee/s remain ultimately responsible for the administration and management of their charity, including regulatory compliance, the Charity Commission's Guidance on reporting serious incidents, which sets out Charity Commission requirements, states that it is the responsibility of a charity's trustee(s) to determine what constitutes a serious incident, and which should

¹ <https://www.gov.uk/guidance/how-to-report-a-serious-incident-in-your-charity#what-to-report>

therefore be reported. The trustee(s) may delegate responsibility for deciding which incidents should be reported, although as is the case with the exercise of all delegated authority, delegated decisions should be reported back to the trustee(s). The Charity Commission's Guidance states that these delegated decisions should be reported, particularly where incidents were 'borderline' and where consideration was given to reporting a serious incident but ultimately the decision was taken not to do so.

4. Determining whether a serious incident has arisen involves judgement and must be considered in light of the Charity Commission's Guidance and requirements, with particular reference to the key consideration as to whether the adverse event has an actual or potential 'significant' impact for the charity. A decision as to whether an event is actually or potentially 'significant' must be documented, whether or not it is ultimately reported to the Charity Commission.
5. The requirement to report to the Charity Commission allows it to:
 - a. ensure that trustees are complying with their duties *inter alia* to protect their charity's assets, reputation and people coming into contact with the charity, by identifying risks to their charity that have materialised and in taking appropriate steps to deal with them;
 - b. provide appropriate regulatory advice or guidance to trustees, or, in serious cases, use its statutory powers to protect a charity; and
 - c. assess risk to other charities, and provide trustees with appropriate information and advice.
6. In the last five years, BHE has reported one serious incident to the Charity Commission. Details of the incident were noted within a confidential session of the BHE Board; additional information can be provided on request.

Current position

7. Reports of any serious incidents arising are made to the Charity Commission by an officer of the City Corporation. There is currently no formal internal process, with reliance instead placed on knowledge and awareness amongst key roles in the BHE Leadership Team and other professional City Corporation officers who support the charity.
8. In light of the Charity Commission's requirements for reporting on serious incidents, a formal policy for BHE has been prepared for approval and is included at **Appendix 1**.
9. The policy includes information to identify or classify any potential serious incident and a process map which can be used to determine whether any particular circumstance constitutes a reportable incident, and to identify the appropriate next steps in light of this decision. The policy will provide a clear and transparent framework for decision-making for the charity, including the exercise of delegated authority.
10. If the proposed policy is approved, appropriate training will be implemented to ensure knowledge and compliance with the proposed policy.

Conclusion

11. The BHE Board are asked to approve the proposed policy for BHE for Serious Incident Reporting, setting out a clear framework to identify, assess, record and report any potential or actual Serious Incidents in line with the trustee's duties and associated Charity Commission Guidance.

Appendices

- Appendix 1 – Bridge House Estates Policy on Serious Incident Reporting

Julia Megone

Charities Technical & Strategic Finance Manager

E: julia.megone@cityoflondon.gov.uk