



Community &
Voluntary Services
cheshire east

Basics of Employment

Guest Speaker - Warren Moores (Associate Solicitor, SAS
Daniels LLP)

Welcome & Introductions



Aim of the Session

To support organisations who are considering or have recently started employing staff, to know the practical steps of recruitment, legalities involved, and feel confident about employing staff.

Objectives of the Session

By the end of the session learners will be able to:

- Identify key areas to consider in an organisation before employing staff.
- Explain key steps in basics of hiring.
- Identify the key legal aspects of employment.

Key areas to consider before employment

- Organisation structure
- Type of employee you need
- Workplace culture, diversity, accessibility
- Register as an employer, set up PAYE
- Workplace Pensions
- Insurance

Considerations before Employment Organisation Structure

There are 4 main types of charity structures

- Trustees Only
- Wider Membership
- Unincorporated
- Incorporated
- Other non profit groups e.g. CICs (limited companies)

If considering employing staff, our advice is to become an **incorporated organisation** as the liability is legally with the organisation and not the individuals.

People Structure

- Have you considered who will manage the job role?
- Do you have people within your organisation with the skills and experience in managing a paid role?

Employee Type

Employee Types include:

- Full time and part-time contracts
- Fixed-term contracts
- Agency staff
- Freelancers, consultants, contractors – all self employed
- Zero-hours contract

Considerations before Employment: Organisational Culture

The culture of an organisation is its personality and character. Organisational culture is made up of shared values, beliefs and assumptions about how people should behave and interact, how decisions should be made and how work activities should be carried out.

- You need to know and understand your organisational culture so that you recruit the right person for you.
- It will be a cultural change to have employed paid staff
- Is it a **diversity friendly culture**?
- Is your organisation safe and accessible?

Affordability

- Can you afford to employ? e.g., length of time funding covers
- Look for funding that includes salaries.
- **Make sure it covers on costs, insurance, NICs, pension contributions.**
- CVS Cheshire East can help members do funding searches which can include salaries, project costs etc.

Workplace Pensions

Under the Pensions Act 2008, every employer in the UK must put certain staff into a workplace pension scheme and contribute towards it. This is called '**automatic enrolment**'.

As an employer you must contribute at least 3% of your workers' earnings to a pension scheme, while they pay the rest. The total contribution must be a minimum of 8% of each worker's earnings.

What happens if you don't comply?

- If you don't comply with your duties, there may be enforcement action e.g. compliance notices and fines.
- If you comply late, you will have to pay back any missed contributions to put staff in the position they would have been in if you had complied on time.

[Pensions Regulator – work out your duties](#)

Prepare for this early (before employing someone) so that you know what you'll need to do

Register as an Employer - HMRC

You normally need to register as an employer with HM Revenue and Customs (HMRC) when you start employing staff, or using subcontractors for construction work.

You must register even if you're only employing yourself, for example as the only director of a limited company.

You must register before the first payday. It can take up to 5 working days to get your employer PAYE reference number. You cannot register more than 2 months before you start paying people.

If your business starts employing people on or after 6 April, you'll get your employer PAYE reference number by 31 August.

Warren Moores – SAS Daniels

Any Questions?



Summary

We have covered

- Areas to consider before employing someone – structure, culture, funding
- Basics of hiring – advert, interview, offer
- Good employee management
- Legislation

Useful Resources

ACAS - Advice and Templates

<https://www.acas.org.uk/hiring-someone>

HMRC New Employers – the basics

https://www.youtube.com/watch?v=enWiKTVWNsg&list=PL8EcnheDt1ziNJiGE_vbF8M8XPalgqhHI&index=2

<https://www.gov.uk/get-ready-to-employ-someone?step-by-step-nav=47bcd4c-9df9-48ff-b1ad-2381ca819464>

CVS Cheshire East – Funding Opportunities

https://www.cvsce.org.uk/funding_opportunities

Coronavirus Business Support

<https://www.gov.uk/coronavirus/business-support>

Small Charities Coalition – closed in Mar 2022 but their Helpdesk has been taken over by NCVO (National Council for Voluntary Organisations) and FSI (Foundation for Social Improvement) [NCVO - FSI and NCVO partnership becomes new home of Small Charities Coalition Helpdesk](#)

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Considerations before Employment: Organisation Structure

Trustees only

They can make crucial decisions without reference to any wider group. This type of charity can be called a 'charitable trust' and may use the word 'Trust' or 'Charitable Trust' in its name.

Wider membership

Trustees will be accountable to members. There are some decisions that can ONLY be made by the wider membership such as electing trustees, approving the annual accounts, and approving any changes to the constitution. This type of charity is often called an 'Association' or 'Society'.

Considerations before Employment: Organisation Structure

Unincorporated

Doesn't have its own legal personality, so it can't sign any contracts in the charity name. That means that contracts must be signed by one of the trustees who can then be held personally liable for any debts. The types of unincorporated structures are 'Unincorporated Charitable Association'; and Charitable Trust'

Incorporated

Is a legal form (like a company) that gives the charity its own legal personality. This means it can own property and sign contracts in the charity name. Incorporation gives trustees greater protection from being personally liable. The most commonly used incorporated structure is called a Charitable Incorporated Organisation (CIO).