

RS7 - Membership Charities

(Version March 2004)

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Introduction

Membership of a charity can bring real benefits both to the work of the charity and for society more generally. When a charity's members are active in shaping the agenda and objectives of their charity, the trustee body is refreshed and its accountability to its members is improved. Membership charities which are effectively run can also enable individuals to be more involved in their local communities and can contribute to fulfilling the Government's agenda to increase individual participation in civil society.¹

An effectively run membership charity is only possible when members use their voting rights in the best interests of the charity and where the trustee body and governance structure allow for proper management of the membership. This includes recognising that the charity's membership structure may need to change as the charity develops and grows.

Each charity needs to strike its own balance between membership involvement and the trustees' general responsibility for running the charity. This report sets out the characteristics of an effective membership charity. It assesses the extent to which the problems associated with membership charities can be resolved or avoided by better governance and by the actions of the membership, and clarifies where the Charity Commission will become involved.

¹ Membership of a charity is not the only way in which people can contribute to civil society, however, any many people will be engaged by becoming involved in other non-charitable membership organisations such as unincorporated associations.

Executive summary

Membership is a common governance model in the sector and its popularity looks likely to continue. Just over half of the charities surveyed for this report have a membership structure of some description. 44% of charities surveyed have members who can vote in order to influence the charity's governance and, therefore, influence the decisions that affect them. Extrapolating these results across the register, the Charity Commission estimates that approximately 80,000 charities have a membership structure and will therefore be affected by some or all of the issues covered in this report.

Our research indicated that charities with members overwhelmingly saw the role of their membership as a positive one, with 84% of charities with individual members and 81% with corporate members stating that their members made a useful contribution to the running of the charity. Charities with a corporate membership highlighted financial support, expertise, influence on governance and contact with other relevant bodies as reasons why their members were of benefit. Individual members were valued more for their participatory role and their diversity of opinion. The minority of charities that did not think their members were useful gave a low voting turn-out at the charity's annual general meeting as the main reason for their view.

Membership charities, like all charities, can run into difficulties if proper attention is not paid to their governance arrangements. The scope for problems is greater in membership charities, however, because

the number of people involved can make the governance arrangements more complex to manage. Differences of opinion sometimes arise which, if not well managed, can disrupt the smooth running of the charity and result in charitable resources being wasted. Analysis of a sample of Charity Commission casework showed that more cases are opened for membership charities than other organisations, including a greater proportion of cases related to internal disputes.

Dispute cases are a minority, however. The vast majority of the 80,000 membership charities on the register are well run, with both the membership and the trustee body acting responsibly and in the best interests of the charity and its users or beneficiaries.

Our findings show that membership charities receive wide-ranging benefits from their members, and these benefits include:

- enhancing the trustee board's transparency and accountability;
- providing a greater appreciation of the needs of beneficiaries;
- improving a charity's influence within the charity sector, giving weight to an advocacy role;
- providing fundraising opportunities; and
- providing a consistent source of trustees.

Executive summary

However, Charity Commission experience indicates that those few charities that do run into problems with their membership are likely to have one or more of the following features:

- Trustees are not clear about their role and their legal responsibilities toward their charity's members.
- Charity members are not clear about their role and responsibilities towards the charity.
- There are insufficient or inadequate governance structures in place to manage the charity's relationship with its members.
- The trustee body puts up barriers to membership involvement, either deliberately or inadvertently.
- The charity's membership lacks diversity so the trustee board is self-perpetuating or change-resistant and unrepresentative of its potential beneficiaries.
- Members or trustees deliberately abuse voting procedures and rights.
- There are weak administrative arrangements in place leading to problems such as accusations of elections being held on the basis of inaccurate membership lists or problems with organising quorate meetings.

A summary of the report's recommendations is set out below.

Recommendations for charity trustees

Trustees should:

- pay careful attention to the governance arrangements that relate to the charity's members, in particular:
 - that the rights of each different type of member and their role within the charity are clearly set out;
 - that the role of corporate members is fully understood;
 - that effective means of communication with all members are in place;
 - that the membership list is kept up-to-date;
 - that the governance arrangements are regularly reviewed, including the number of members they have and the level at which a quorum is set;
- consider whether it is appropriate to include a clause in their governing document setting out the respective roles and responsibilities of members and consider whether any additional procedural documents would be beneficial;

Executive summary

- consider whether their membership is truly representative of the group it is designed to serve and, if not, consider ways of reaching those that are excluded;
- be aware of the potential benefits of mediation and, where appropriate, consider whether it might be a useful tool for resolving a disagreement within the charity.

Recommendations for charity members

Charity members should:

- ensure that the charity clearly explains what the membership role entails, including the rights and responsibilities which accompany the role;
- exercise their right to vote in the interests of the charity for which they are a member;
- abide by decisions that are taken fairly and within the rules of the charity.

Recommendation to umbrella and advisory bodies

- Umbrella, professional and advisory bodies should do further work to support membership charities and their members by producing best practice guidelines.

Recommendation to the Home Office (Active Community Directorate)

- The findings of this report, and the potential of members of a charity to contribute to civil society, should be used by the Active Community Directorate in its work to promote volunteering and build civil renewal.

Action for the Charity Commission

- The Charity Commission will review its publications and guidance to ensure that they reflect the findings of this report and will also consider whether a model clause setting out the obligations of members would be of value to membership charities.

This report on charity membership has been compiled using evidence from the Charity Commission's records and an examination of our case files including analysis of the case histories of 2900 charities over a four year period. We have also spoken to numerous charities and undertaken a large-scale postal survey. Details of the research methodology can be found in Annex A.

This report is divided into three sections. Part A examines and reports on our casework experience and survey of membership charities, Part B provides guidelines and pointers for an effectively run membership charity and Part C provides additional information relating to the legal aspects of membership.

Part A: Casework experience and survey findings

Defining membership

"Without our members we do not exist."

Survey respondent

This report examines the role of charity members. It examines charities' governance structures including those with members who are able to influence the governance of a charity (voting members) and those with members who cannot (non-voting members). However, because governance is a key area of involvement for the Charity Commission, the focus of the report is on voting members.

The influence that a voting membership can have on the running of a charity can be extremely positive, both as a way for individuals to be involved in decisions that affect them and their society and as a way in which charities can represent those with a vested interest in them.

Non-voting members

The Charity Commission estimates that some 80,000 charities have a membership structure. The vast majority of these charities function well and their membership is of real value to the charity and its work. However, the Charity Commission's case work experience shows that confusion over exactly which members have voting rights within a charity is a common reason behind the difficulties which membership charities can sometimes encounter. Trustees should ensure that they and their membership can distinguish between those members with a vote and those without. In this report, individual and corporate members, as defined below, are distinguished from supporters, friends,

affiliates, subscribers, service users and any others that may be called 'members' in their charity but have no role in determining the constitution and direction of the charity. Commonly this type of 'member' can be a volunteer, donor or beneficiary.

Our survey indicated that 20% of charities have non-voting 'members' and a variety of terms are used to describe them.²

Voting members

A charity can have either corporate or individual voting members, or both. These are defined below.

Individual members

An individual voting member of a charity has the following defining characteristics:

An individual with the ability to affect the governance of a charity by voting at the charity's annual general meeting and who meets all other criteria for a member as set out in the charity's governing document.

Individuals acting in their capacity as trustee, director or any other role on the governing body are excluded from this definition of a member.

Our survey data indicated that 39% of charities have individual voting members.

The size of a charity has some bearing on whether or not it has an individual membership, with the largest charities (income of over £1 million) being least likely to have individual members. Less than a third of these charities have an individual membership.

² Terms used can be found in Annex A.

Part A: Casework experience and survey findings

There is some correlation between a charity's main activity and whether it has an individual membership.

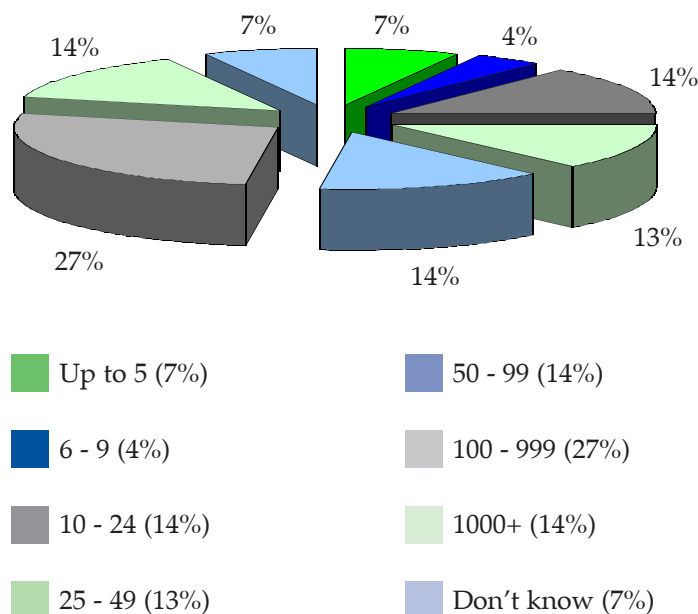
Charities providing services are most likely to have an individual membership (48%), closely followed by those providing advocacy (47%) and those sponsoring and undertaking research (45%). Charities that provide financial assistance are least likely to have an individual membership (20%).

A charity's area of work also has a bearing on whether it has individual members, with charities working in the areas of disability being most likely (57%), followed by those working in arts and culture (52%). Annex A sets out more details of these findings.

The main benefit of membership given by disability-related charities was that their members were able to influence the way the charity is run. For arts and culture-related charities the emphasis was on members participating in the work of the charity. Charities providing services and advocacy were most concerned that members ensure that services remain relevant to beneficiaries' needs.

Surveyed charities had a mean average of just under 2000 individual members. The number of individual members in a charity varies considerably, however, with 13% having fewer than 10 members while a similar proportion (14%) have well over 1000. See table 1, Annex A for further details.

Number of individual members in each charity



Base (All with individual members): 591

Part A: Casework experience and survey findings

Corporate members

11% of surveyed charities have corporate voting members. These are defined as follows:

Corporate members include companies, local authorities and other public bodies or organisations for which a nominated representative holds a right to vote at the charity's annual general meeting on behalf of the organisation that they represent. This category would also include any unincorporated charities and other not-for-profit organisations for whom a representative is a voting member of another charity.

Charities acting as umbrella or resource bodies are most likely to have corporate members (21%), followed by those sponsoring or undertaking research (17%) and those providing advocacy (14%). Corporate members are also more commonly found in charities working in the areas of environment and heritage (25%) or economic development and employment (24%), although the latter is based on a relatively small number of respondents.

Our survey illustrated a wide degree of variation in the number of corporate members in charities. The average number of corporate members is 163, with almost half of charities (47%) having no more than five whilst a minority had very large numbers of members, which brings the overall average upwards.

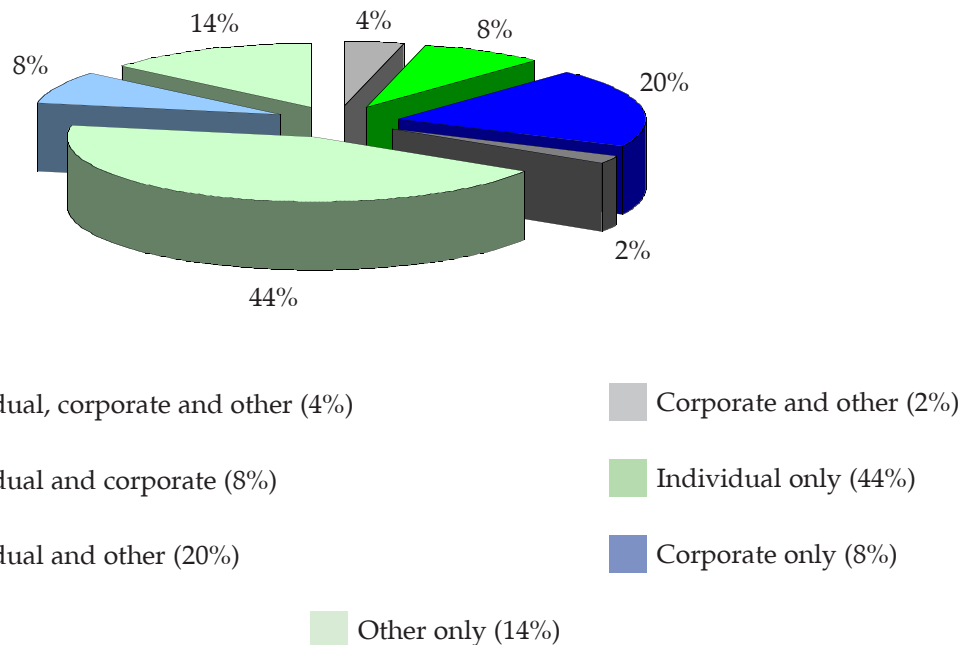
Managing a mix of membership types

Casework experience shows that problems can arise when a charity has more than one membership type but has not clearly defined the role of each type of member. Research also identified a trend amongst charities toward restructuring in instances where they had a growing membership so that they could more easily identify those who were voting members.

66% of charities surveyed had just one type of member, commonly individuals (44%), with only 4% of membership charities having all three types identified in this research (ie corporate, individual and non-voting). The following graph provides more detail:

Part A: Casework experience and survey findings

Combination of types of members



Base (All with members): 774

The following case illustrates the problems that can arise when there is a lack of clarity over whether members are able to vote.

The Charity Commission became involved with a medium sized charity when opposing groups within it were unable to resolve confusion over voting rights. The charity ran into difficulties partly because it failed to hold adequate records of its members. The trustees did not keep an up-to-date membership list and details of voting members were included with those of individuals who were supporters or friends of the charity. This made it difficult to identify who was entitled to vote. The situation was further complicated by the fact that the charity's governing document did not contain a clearly defined membership provision.

Problems that arose within the charity came to the attention of the Charity Commission because of a complaint about the election of trustees. After assessing the situation, the Charity Commission advised that all identifiable subscribers should be classed as members and should be able to attend and vote at the annual general meetings (and therefore be eligible to stand for election to the trustee body). Once the revised membership list was in place, the trustees could then move to hold a properly conducted election.

The outcome of this case was that a Scheme of the Commissioners was made which revised the charity's existing governing document and focused on those areas which had contributed to the problem, including the need for the charity to keep an up-to-date membership list to which they could refer in order to clarify who was eligible to vote.

Part A: Casework experience and survey findings

- Trustees should pay careful attention to their charity's governance arrangements, and to how these arrangements are communicated to their members, to ensure that the rights of each different type of member and their role within the charity are clear.
- Trustees should consider whether it is appropriate to include a clause in their governing document which sets out the respective roles and responsibilities of members.
- Charity members should ensure that they are fully aware of both the rights and responsibilities that their membership affords them.

Governance considerations

A charity with a membership structure can bring real and tangible benefits. Charity members, who will sometimes also be amongst the charity's beneficiaries or will have a shared interest in the welfare of those beneficiaries, can influence the decisions the charity makes that affect them and their community. They can also help to keep the charity's governing body fresh, accountable and credible. This is only possible if the charity's:

- governance structure allows the membership to be managed to the best effect;
- membership is inclusive and representative of those the charity is designed to serve; and
- members use their influence responsibly.

Benefits of having a membership

"Our members are our life. They offer help, advice and experience."

Survey respondent

84% of surveyed charities with individual members said that those members made a useful contribution to the running of their charity. The main reasons for this were related to their diversity of opinion, influence, expertise and participation.

Corporate membership was also seen as a positive attribute for charities. 81% of those charities with corporate members found that they made a useful contribution to the charity.

Charities highlighted the advantages of financial and general support, expertise, influence over the running of the charity and contact with relevant bodies as reasons why corporate members were of benefit.

This pattern was broadly consistent for all membership charities, irrespective of their size, activity and area of work.

A minority of charities with individual and corporate members stated that their membership was not useful.

The most common reason given for this view was that only a small number of members actually exercised their vote at the charity's annual general meeting (AGM). Again, this response was consistent across all types of charity who said membership was not useful.

Part A: Casework experience and survey findings

Our research found that a number of benefits associated with membership were identified. Members of a charity were seen to:

- keep the charity's trustee board up-to-date with the needs of beneficiaries, providing feedback and diverse opinions;
- keep the trustee board fresh and accountable, and help ensure probity and transparency;
- improve the charity's ability to influence the social or political environment in which the charity operated; and
- act as a pool of volunteers and potential trustees.

"Having individual members ensures that the trustees do not manage the charity in isolation and provides some in-house scrutiny of their actions and decisions."

Survey respondent

All types of members, including those who do not have a vote, were regarded by surveyed charities to be of benefit to the organisation because they:

- provide fundraising opportunities;
- give their time and commitment to the aims of the organisation; and
- help to raise the profile of the charity.

A full list of reasons given by surveyed charities for why individual and corporate members were or were not considered helpful can be found in Annex A, tables 10 and 11.

Potential governance problems

Membership charities, like all charities, can run into difficulties if proper attention is not paid to their governance arrangements. In a membership charity, there is an added complexity because decisions are shared between the trustees and the members. In some cases this can mean more scope for disagreement over decisions. Our case work experience shows that this scope for disagreement is increased in those charities where there are strong feelings about the issues in which the charity is involved.

Membership charities are slightly more likely to have cases opened for them than non-membership charities. We examined the case histories of 1450 charities with a membership and an equal number of randomly selected charities. Over a four-year period, a total of 3182 cases were opened for these two groups of charities. 61% of these cases related to charities with a membership.³

Whilst the five most common cases were the same for both groups (enforcement, amendments to the governing document, general requests for information, winding up and amendments to objects) cases recorded as complaints and internal disputes were more common in those charities that have a membership than those without, perhaps reflecting the complexity of membership structures.⁴

³ Case types were examined for all charities which stated that membership was a source of their income in surveys undertaken during 2003 and for an equal number of randomly selected charities.

⁴ Enforcement commonly includes cases where charities have failed to submit accounts or other important documents to us.

Part A: Casework experience and survey findings

Disputes and disagreements between trustees and within the membership can be costly and time consuming, and a diversion of charitable resources.

"[Action should be taken] to prevent charities from frittering away money subject to charitable trusts in pursuing litigation relating to internal disputes."

High Court Judge

The Charity Commission's case work experience shows that underlying many governance problems is an inadequate governing document and a lack of clear governance procedures relating to managing members.

Charities that are unable to resolve their membership problems often have poor governance provisions that would have provided an objective point of reference for dispute resolution.

Charity Commission experience indicates that charities can run into problems with their membership when:

- trustees are not clear about their role and legal responsibilities towards their charity's membership;
- there are insufficient governance structures in place to manage the membership relationship;
- the trustee board put up barriers to membership involvement;
- members or trustees deliberately abuse voting procedures and rights; and
- the membership lacks diversity so the board is unrepresentative of beneficiaries' needs, self-perpetuating or change-resistant.

- Trustees should put a series of procedural documents in place to fill in details which cannot practically be contained within the governing document, with particular attention to the rules and practices relating to membership.
- Trustees should be aware of the potential benefits of mediation and, where appropriate, consider whether it might be a useful tool for resolving a disagreement.

Membership structures

Case work analysis revealed a wide variety of membership structures and voting rights among charities.

The survey confirmed that membership charities range from large organisations with millions of remote members to small organisations with a few user-members that are regularly involved at a local level.

The origins of a charity may influence its needs, structure and the extent to which members are involved in determining the running of the charity.

The Charity Commission often registers organisations which have begun life as local community groups, for example a support group.

Charities that have started off in this way can be reluctant to overhaul the structure of their organisation entirely and, as a result, operate their membership through a collective structure where trustees are a sub-set of the members or not distinguished at all.

Part A: Casework experience and survey findings

The following case is an example of a charity whose governing document allows every member to have a say in the running of the organisation.

A large charity visited as part of our Review Visit program was organised so that all members were also trustees thus making it impossible to identify a distinct decision-making body. The matter was further complicated by the fact that the charity's main activity focused on helping vulnerable individuals and these beneficiaries were the members.

This had advantages in that the members could contribute their direct experience to the development of services and enabled a sense of ownership and empowerment. However, the charity was dealing with significant amounts of charitable resource and had entered into contracts and other potentially high-risk areas which necessitated a clearly defined trustee body.

The Charity Commission advised that it was inappropriate for all beneficiaries to be members of the charity since, by default, they would be the trustees too and recommended that the charity should consider restructuring.

Ultimately, this decision rests with the members who are now considering their organisational structure and the membership/trustee issue in line with the good practice recommendations made.

Our Charity Commission publication **Users on Board: Beneficiaries who become trustees (CC24)** provides further comment.

A second membership type commonly seen in our case work is that of a charity with a national presence and independent local affiliated bodies. These may be administrative centres or they may be registered as charities in their own right and therefore have a separate trustee body. Some of the complexities relating to this type of membership charity are dealt with in our publication **Collaborative Working and Mergers (RS4)** and relevant good practice considerations can be found on page 27 of this report.

The advantages of this structure include its ability to facilitate involvement and communication at a local level and the opportunities for local affiliated bodies to receive funding from their communities. However, the Charity Commission also sees cases where the number of members of the local bodies varies significantly, and this can lead to disproportionate representation at a national level. Where this is the case, real or perceived, trustees often restructure their voting system so that each member has one vote at a national level.

Part A: Casework experience and survey findings

This case illustrates how a membership can be restructured to better represent the views of its membership.

A very large national charity has recently restructured its decision-making process in response to a general feeling that its voting structure did not allow for accurate representation of members' views. Members were unhappy and this threatened to lead to disruption of the charity's work.

The charity consists of a national body which retains overall responsibility for decision making, with local branches that deliver its services. In the previous voting system, members voted on key decisions at local branch meetings and one 'united' vote from each branch was counted at the national AGM.

The charity and its members did not feel that this allowed for a truly representative view to be carried at the AGM because of disparity in numbers of members voting at local branches. After consulting with the members, the trustees moved to amend the voting structure so that every member had an individual vote.

- Trustees should review their membership provisions regularly to ensure that they are still the most effective for the charity.

Restructuring the membership

A charity that identifies a need to restructure may require the help of the Charity Commission to consent to the amendment of their governing document to reflect the changes agreed within the charity.

Of the 1450 case histories of charities with members examined as part of this research, the majority only had cases opened to accept changes to the governing document, objects or other similar issues. The fact that the Charity Commission only became involved in order to accept the decisions suggests that the majority of membership charities are well-run organisations which are able to manage any restructuring without any problems.

The cases that we see at the Charity Commission are often those in which the trustees have not amended their governing document to take account of changes to the charity and its work.

Instead the charity has continued to function with inappropriate or insufficient provisions and the trustees have consequently found themselves with problems that they cannot solve using the charity's existing governing document.

Failure to amend an unworkable quorum provision is a common example of this. See section on **Establishing a quorum level** on pages 25 to 26.

The charity's membership will usually have to endorse the decision to restructure so it is essential that they fully understand the motives and anticipated benefits that the changes will bring.

Part A: Casework experience and survey findings

The following is an example of a situation where the members opposed the restructure of a charity because they thought it would limit their ability to influence the direction of the charity.

A large charity wanted to streamline its governance and administration by restructuring their membership. Whilst the trustees were in favour of the proposed changes, which would result in a smaller and ideally more efficient trustee body, some of the members felt that this would reduce their democratic input to strategy and governance decisions. This was not, in fact, the case but members had been given little information about the change and this created suspicion among the membership, who consequently opposed the move.

The trustees took on board these concerns, amended their plans slightly and made sure that they communicated them to the membership. By making the members aware of the reasons behind the proposals, the trustees resolved the matter and can now operate successfully.

- Trustees should consider restructuring their membership if it is no longer proving effective. Restructuring needs to be expedient and in the best interests of the charity and trustees should communicate with their members on this issue.

Reasons for restructuring

Our research showed that often, in charities with a large membership, a significant number of members do not exercise their right to vote but simply hold their membership in order to receive information.

Members not exercising their right to vote was the main reason given by surveyed charities that said their membership did not make a useful contribution to the running of their charity.

Charity members can often be split into three groups:

- those who contribute to decision-making in the organisation;
- those who are relied upon to provide more general support, for example by providing finance or by volunteering; and

- those who hold their membership in order to receive information or other benefits.

Respondents to our survey stressed that a large number of members can be useful in terms of diversity and provide a pool of experience from which to draw. However, the Charity Commission sees the following potential problems when a charity is managing a large voting membership:

- a failure to reach a quorum in meetings;
- election processes that are complex and costly; and
- difficulties in communicating effectively with large numbers of members.

A number of best practice administrative considerations that can help are set out in **Part B**.

Our survey found that medium and large charities are more likely to have non-voting members, as are charities which registered up to five years ago. This supports our case work evidence and anecdotal observations that charities adopt a two-tiered structure when they get larger. It can be expedient for some charities to re-classify the passive

Part A: Casework experience and survey findings

section of their membership as 'supporters' or 'friends' so that they still receive the benefits they require and remain involved in the charity but are not involved in the voting procedures. However, this kind of restructuring is not the answer or solution for dealing with potential opposition from within the membership. Neither is it a valid reason for a charity to limit the extent to which its voting members are fully representative.

Before restructuring the charity's governance arrangements, trustees should consider whether they should instead be making a greater effort to encourage members to vote.

Remote voting

As a response to a low turn-out at AGMs, some charities approach the Charity Commission to amend their governing document to allow alternative forms of voting so that people who cannot attend the AGM are able to exercise their vote remotely.

Where proxy or electronic votes are used, careful monitoring is required to ensure that the system is not abused. Trustees should ensure that members understand how their vote will be made if they do not exercise it themselves.

This case illustrates the use of remote voting to help with difficulties in achieving a quorum.

The governing document of a charity whose members are predominantly wheelchair users required a quorum of at least a quarter of the membership to be present at any annual or extraordinary general meeting. This equated to around 200 members. This provision had not been complied with for some time due to the practicalities of organising the meeting, which meant that the committee elected at the last AGM was not valid.

The Charity Commission's usual action would be to confirm the committee by an Order to enable the charity to continue to be managed legally and then recommend that the trustees amend their governing document to lower the quorum. However, in this particular case, the governing document required amendments to be passed by a two-thirds majority of those members present at the AGM. The problem of achieving a quorate meeting to pass such an amendment was again the problem.

The trustees had not been able to find a suitable venue which would accommodate a large group of people with special needs. Furthermore, although the governing document allowed for proxy voting, it specifically barred proxy voting regarding alterations to the governing document.

The Commission resolved the matter by making a new fully regulating Scheme to lower the quorum at general meetings to 25 members and also allow for postal or proxy votes which can be used to amend the Scheme in future.

Part A: Casework experience and survey findings

- Trustees should review their membership list periodically and ensure that it is kept up-to-date.
- Trustees who find their quorum provision unworkable should seek to rectify the situation as soon as possible.

"We have a very diverse membership of all ages...this enables us to have diverse opinions expressed and keeps us relevant and up to date."

Survey respondent

Diversity and inclusion

Our research indicates that a diverse membership is a critical success factor in realising the benefits of membership (diversity of opinion was given as a key reason why membership is useful in our survey).

Membership can only be a means by which individuals can be engaged in civil society if the membership is representative and inclusive.

In some instances, sections of the community that could benefit from being a member of a charity are not engaged by it, either because they are officially excluded from joining or just discouraged by a perception that the charity is 'not for me'.

Trustees should try to avoid limitations to the membership. If the members are also the beneficiaries then in certain circumstances limitations on the membership may adversely affect public benefit and hence the charity's status.

Our publications **The Public Character of Charity (RR8)** and **The Recreational Charities Act 1958 (RR4)** provide a more detailed explanation of the principle of public benefit.

This case illustrates how a charity can be pro-active in ensuring its membership is diverse and inclusive.

Charity Commission staff visited a very large national membership charity and found it to be well run. The charity reported that it had never experienced any problems with its membership. However, it had recently surveyed its members and discovered that they, like the charity's trustee board, were predominantly white. The charity provides information and support services for a particular group of people and is also active in raising awareness of their needs and campaigning on their behalf. It is therefore important to the charity that the needs of all people within that group are understood by the charity and that a more diverse range of people are encouraged to join.

The charity is running an on-going 'out reach' campaign designed to communicate with people who might benefit from being a member of the charity but are currently not engaged by it. This includes measures to modernise the charity's image and reflect the needs of different sections of the community. The charity recognises that this is important for its own strength as an organisation as well as for the people it aims to help.

Part A: Casework experience and survey findings

It is particularly important that campaigning charities accurately reflect the views of their membership and that their membership reflects the views of those who will be affected by the issues on which they campaign.

Where trustees have not formally sought their members' views on a particular issue, they need to be confident that their message is consistent with the members' view and that they have an opportunity to comment on messages that are delivered on their behalf.

The Charity Commission sees many cases where a lack of diversity in the membership leads to homogeneity in the trustee body. Charity Commission publication, **Trustee Recruitment, Selection and Induction (RS1)**, examines the issue of diversity in trustee bodies and suggests strategies for improvement in this area.

- Trustees should consider whether their membership is truly representative of the group it is designed to serve and, if not, put measures in place to reach those that are excluded.

The motivations of membership

People have a variety of motivations for becoming a member of a charity. Benefits of membership found in the research included:

- access to information or support;
- a sense of contribution to and involvement in society; and
- tangible benefits, for example reduced admission fees to historical sites or particular areas.

The motivational factors for membership have an impact upon the level of participation that each charity member will want. Surveyed charities which provide advice have the highest average number of individual members (4893), compared with 410 for those providing facilities and 572 for those providing services. This suggests that many members are involved primarily in order to gain access to information and are passive rather than active participants in the charity.

"Our members make an extremely useful contribution to the running of the charity, not least by assisting in fundraising but they are fairly passive about its corporate governance."

A charity trustee

Rights and responsibilities of charity members

Disputes commonly arise when the trustee body and/or membership is divided or when the trustee body is at odds and each side attempts to manipulate the membership voting system to support their cause.

Approximately 50% of dispute cases that are dealt with by the Charity Commission involve a charity with a membership. In these circumstances the Charity Commission will work to enable the charity to find a resolution and get back on the right footing. We will look for evidence to support movement to a resolution and utilise all available information to understand sensitivities associated with particular cultural, political and religious beliefs.

Part A: Casework experience and survey findings

In exercising their right to vote and influence the governance of a charity, members of a charity should ensure that their behaviour is not damaging to the running of the charity or to its good name. The Charity Commission takes the view that members have an obligation to use their rights and exercise their vote in the best interest of the charity for which they are a member. **Part C** provides the legal detail.

Responsible trusteeship of a membership charity requires the ability to allow the members to exercise their right to challenge key decisions while preventing them from abusing that right. The balance of power between trustees and members is explored in more depth in **Best practice in managing the balance of power** on pages 27-28.

- Charity members should exercise their right to vote in the interests of the charity for which they are a member.
- Charity members should be prepared to abide by decisions that are taken fairly and within the rules of the organisation, even if this does not match their own personal preferences.

Responsibilities of corporate members

"They assist the other trustees in awarding grants that complement the aims of the body they represent and also help prevent our limited resources being wasted. They provide a wider perspective to the trustees' outlook."

Survey respondent

The Charity Commission is called upon to clarify the responsibilities of corporate members in a number of cases. This scenario often arises in connection with village hall charities. Often a number of organisations will make use of the facility and will also be corporate members of the village hall charity.⁵ When taking decisions as members of the village hall charity, representatives from the user organisations may find it difficult to detach themselves from the priorities of their organisation.

Corporate members in particular can be unclear about their role as a member of a charity and their responsibilities with respect to representing the views of those in the organisation which they represent. For example, if a local authority is a corporate member they will usually nominate one person to go to members' meetings. This person may feel that they should represent the best interests of the local authority, for example with relation to a funding decision. Equally, trustees may feel that they are obliged to give greater weight to the view of a corporate member.

The potential for conflict of interest in this situation should be managed carefully. See our web-based guidance **A Guide to Conflicts of Interest for Charity Trustees**.

"It provides the local authority with a good insight into the issues facing the charity. However, we would not want any further corporate members - the one is sufficient."

Survey respondent

⁵ Corporate members are defined on page 7.

Part A: Casework experience and survey findings

The role of a corporate member is the same as that of an individual member where the primary duty is to the organisation for which they are acting as a member.

Corporate members should have complete clarity about their role and obligations in instances like these as, commonly, representatives from user organisations will be voted on to the trustee body at a later date. The fiduciary obligations of trustees are clearer than those of members but many corporate representatives maintain a misunderstanding about their fiduciary duty when they become a trustee.⁶ The difficulties involved in managing this scenario and others relating to village halls will be explored in a Charity Commission regulatory report due for publication by the end of 2004. Our publication **Responsibilities of Charity Trustees (CC3)** sets out the roles and obligations for trustees in acting in the interests of the charity for which they are a trustee.

- Trustees should be particularly careful to ensure that the role of corporate members is understood.

Charity Commission intervention

The Charity Commission has a general purpose of ensuring the effective use of charitable funds and the integrity of charity. Where a charity is not being run effectively or is publicly in dispute it is an area of concern for the Charity Commission.

Charity Commission staff are often approached by individuals associated with membership charities in connection with an internal dispute between different groups within the charity. The Charity Commission cannot act in the

administration of a charity. It is not, therefore, part of the Charity Commission's role to resolve disputes within charities where trustees have acted within the scope of their powers and duties, honestly and in good faith.

The Charity Commission may intervene:

- where concerns are expressed about serious mismanagement, for example involving a failure to observe the requirements of charity law;
- where there is clear evidence of deliberate abuse;
- where trustees are not acting in accordance with the provisions of the governing document;
- where the administration of the charity has broken down to such an extent that the charity is not working effectively;
- where there is a clear danger of the name of charity being brought into disrepute; or
- where honest errors have resulted in problems (such as decisions of inquorate meetings being acted upon) that require us to authorise actions necessary to remedy the situation; and
- where the use of the Charity Commission's powers are proportionate to it.

Sincerely held but differing views are of no concern to the Charity Commission if trustees are acting properly. Matters of policy or administration may be disputed within the trusteeship or within the membership but they must be settled within and in accordance with the terms of the charity's governing document.

⁶ Fiduciary is defined in Annex B.

Part A: Casework experience and survey findings

Members who disagree with the direction of the charity to which they belong can make a change by exercising their right to vote, either at the AGM or by calling an EGM (which requires a sufficient number of members agreeing to it), or by putting themselves in a position to be elected on to the committee. Where none of these courses of action result in a satisfactory conclusion for a disaffected member, they should accept the majority opinion or consider leaving.

A complaint to the Charity Commission should only be made where there are well-founded suspicions or evidence of malpractice.

Examples of situations in which the Charity Commission will not get involved include:

- disagreements between trustees or between officers and/or members which can and should be settled by the persons themselves;
- disagreements within religious charities relating to religious matters such as doctrine.

In these circumstances the trustees are responsible for finding a solution with their membership and should only approach the Charity Commission if they propose a course of action that requires Charity Commission authorisation.

For more information on the Charity Commission's position, please refer to our publication **The Charity Commission and Regulation**.

The following is an example of where the Charity Commission's intervention was essential in putting a charity back on a secure footing and safeguarding its assets.

Disputes between two rival groups in a small charity with a large membership had meant that the charity was effectively split into two separate organisations under one charity name and registration number. There were also separate membership lists for both groups. Each side operated autonomously and had held its own elections for some time. It was impossible to identify the properly appointed managing trustees as the charity's records were incomplete or missing. The police had been involved because of confrontation and unruly demonstrations from both parties.

The Charity Commission became involved at the request of one of the rival parties and the local authority. The most important issue to resolve was the election of a properly appointed trustee body. The Charity Commission therefore moved to make an Order under section 26 of the Charities Act 1993 authorising the elections to take place. The Order took into account the issues of both parties and stated that before any elections could go ahead an Election Board consisting of representatives from both would be established. This ensured that there would be fair representation from both sides. The local authority was appointed to oversee the elections as Election Supervisor. Employing an impartial body to have the final say helped to ensure that the election process would be democratic and fair.

Once the elections had successfully taken place and a properly appointed trustee body was in office the charity's position became more stable. The outcome of this case was that a situation which had continued for several years and had an adverse effect on the charity was brought to a satisfactory conclusion.

Part A: Casework experience and survey findings

The Charity Commission will not be able to become involved in resolving matters of religious doctrine or actually become involved in supervising or running an AGM for a charity. We may be able to suggest alternative parties who may be able to help.

If the Commission's intervention is necessary, we may take one of the following courses of action.

Each membership case is unique, however, and the cases described below are examples of action we have taken in the past and do

not represent the action that will necessarily be taken in every similar case.

There are three main ways in which the Charity Commission will intervene, other than to provide guidance:

1. make an Order under section 26 of the Charities Act 1993;
2. provide a Scheme setting out new governance provisions; or
3. open an Inquiry under section 8 of the Charities Act 1993.

Make an Order under section 26 of the Charities Act

In the six months from June 2003, the Charity Commission made 482 Orders under section 26 of the Charities Act. 4% of these were made to regularise elections and procedures for holding an AGM. This scenario may arise when the trustee body has been elected at an inquorate meeting and therefore is not authorised to call a meeting to correct the situation.

The Charity Commission became involved in a dispute between members of a medium sized charity over the election of its trustee body. Members complained that certain individuals had been "selected" for trustee posts rather than having gone through a properly conducted election at the AGM. In the same way, trustees had been removed from office. Consequently there were doubts about the validity of the charity's serving trustee body, especially as the meeting concerned had been inquorate. Accusations of unreasonable behaviour by various members from both sides only served to exacerbate matters.

The Charity Commission met with the charity to discuss the problems it faced and to try to resolve matters. The current state of affairs meant that the charity was not being administered properly which was a major concern. The first step in rectifying the situation was for the Charity Commission to make an Order under section 26 of the Charities Act 1993 enabling a properly conducted election to take place. The Order also took into account the omissions of the charity's governing document and clarified the rights and responsibilities of being a member, including the power to terminate or remove an individual's membership.

Because of the charity's previous history, the Order also directed that the trustees consult an impartial organisation to ensure that the elections were conducted fairly. Whilst this did not satisfy all those concerned, the majority of members did concede that this was the most appropriate way forward and eventually the elections went ahead and the trustee body was properly appointed.

Part A: Casework experience and survey findings

Provide a Scheme setting out new governance provisions

Two similar charities, each with a large membership, wished to merge and approached the Charity Commission for advice.

The proposed amalgamation was felt to be in the best interests of both charities and the trustees felt that the combination of skills and expertise would be advantageous to the beneficiaries. The Charity Commission facilitated this by means of a Scheme which effectively created a new organisation. As well as defining the new charity's objects, the Scheme also addressed the membership provisions and the structure of the new trustee body.

The trustees wished to retain the characteristics of both charities by simply combining the two, but these proposals meant that the new trustee body would end up being very large and unwieldy and the membership provisions for each charity were not so easily transferable.

In discussion with the trustees, the Charity Commission drafted a membership structure which addressed the needs of the "new" charity without losing the original ethos.

Open a Section 8 Inquiry

Section 8 Inquiries are normally carried out with the focus on areas such as misappropriation or maladministration.⁷ Membership issues are not commonly the central concern but may be an underlying factor in case work. Where possible our approach is to try to put a charity back on the right footing before an Inquiry becomes necessary.

The Charity Commission became involved with a medium sized charity which had been experiencing problems between groups of its trustees. There had also been allegations that the membership list was not made available so it was difficult to identify who was entitled to vote at the elections. The Charity Commission initially tried to assist the trustees in resolving matters so that a proper governance framework could be put in place. To move matters along, the Charity Commission offered to make an Order authorising a valid AGM but the trustees chose to ignore this advice and proceeded to hold their own meeting without having obtained the necessary consent to do so.

The Charity Commission advised the trustees that those purported to have been elected appeared to have no legal authority to act in the administration of the charity and, in the light of allegations of financial irregularities, moved to open a formal Inquiry. In this way all aspects of the charity's administration could be examined and protective intervention powers invoked if necessary.

The Inquiry made several recommendations regarding the administration and governance of the charity which the trustees had to follow. In addition, the Charity Commission granted an Order under section 26 of the Charities Act to give authority for an AGM to elect a new trustee body. This has been achieved but the Commission will continue to provide any necessary supervision and support.

⁷ Section 8 is the power that the Charity Commission has to formally investigate a charity or group of charities where there are concerns regarding misconduct or mismanagement of charity resources and to take action to rectify abuse or poor practice where possible. The results of these inquiries are published on our website.

Part B: Best practice - some guidelines

Best practice in the governance of membership charities

The positive potential of a membership is more easily realised when there is clarity about the rights and obligations of the charity's membership. Charity Commission experience suggests that focusing on three key areas will help to avoid confusion in this area:

- clarity about who members are and about their rights and responsibilities;
- clarity about the agreed practices and legal considerations for running the AGM; and
- effective, regular communication with members.

Our case work experience and survey results show that the following best practice principles mitigate the possibility of running into the most common difficulties that membership charities experience:

- keeping an accurate membership list and making it available to all stakeholders (there may be some data protection issues here which trustees should bear in mind);
- encouraging members to read and understand the membership provisions of their charity;
- keeping and communicating information about the roles and responsibilities of different types of member in the charity;
- keeping a record of the rules that surround continued membership and making it available to all stakeholders.

These rules should include:

- the grounds for eligibility of membership;
- the grounds for dismissal of a member; and
- the grievance procedures in place.
- being clear about, and communicating to members, the agreed practices and legal considerations for running the charity's AGM.

Many of the problems that the Charity Commission sees in relation to membership charities could be avoided with better communication between trustees and members.

To improve communication, trustees should:

- consider making use of new technology and emailing those members who are happy to receive information in that format (this is both quick and cost effective); and
- ensure that any communications are in an appropriate format that is accessible and understandable to all members.

Communication providing notice for meetings requires additional attention as there are a number of areas that must be covered. See **Charities and Meetings (CC48)**.

Best practice in managing the governing document

An essential part of good governance is to ensure that the governing document is fit for purpose and that its terms are adhered to. The governing document should be the first place that trustees or members look in order to clarify anything relating to the running of their charity. Where the governing document is used effectively, it can prevent problems and disputes arising.

The governing document will usually set out the basic conditions and terms of membership. It should be comprehensive enough to allow for good governance and limit scope for dispute. The governing document cannot, however, cover all scenarios. Nor should trustees attempt to do this as they may find it restricts an action they need to take in the future. An additional set of rules or manual which members agree to will satisfy the need to have details of the arrangement laid out.

Within the governing document a number of clauses will set out the way in which the membership should be managed. The clauses that we recommend charities to include when adopting one of our model governing documents can be found in our publications **Model Memorandum & Articles of Association for a Charitable Company (GD1)** or **Model Constitution for a Charitable Unincorporated Association (GD3)**.

Typically the clauses of the governing document of a membership charity will set out:

- who is eligible to be a member of the charity;
- how their membership could be terminated or suspended;

- how voting rights are to be distributed;
- conditions and rules regarding running and voting at the AGM including quorum provisions;
- terms for calling a extraordinary general meeting; and
- how alterations to the constitution or dissolution of the charity can be decided.

Whilst some governing documents are more prescriptive than others, trustees are required to interpret the governing document and will need to make decisions for the running of the charity on a day to day basis without the membership becoming involved. This is a key factor in determining the balance of power between members and trustees.

Best practice in managing elections

Voting at annual general meetings

Charities with a membership will usually be required to hold an AGM which is an opportunity for members to attend and vote on various matters that have a direct bearing on the governance of the charity to which they belong. The governing document and other rules of the charity usually set out the procedures for holding an AGM.

Members may also have the opportunity to call and participate in an EGM (extraordinary general meeting, sometimes also called a special general meeting), where non-recurring decisions are considered/taken.

Part B: Best practice - some guidelines

Voting at these meetings is the most common way in which members exercise their administrative rights and is their main opportunity to influence the running of the charity.

At the AGM, members will typically:

- endorse the accounts and report for the year;
- elect some or all of the charity trustees (where elections are held annually);
- approve the appointment of auditors; and
- approve previous minutes.

They may also consider matters such as a change in the charity's name or objects and determine questions of constitutional change such as the destination of the charity's property on winding up or amalgamation, although these considerations are sometimes undertaken at an extraordinary general meeting.

The procedures which should be followed during and in advance of the AGM are laid out in the charity's governing document. Charity Commission publication **Charities and Meetings (CC48)** provides advice on the issues involved.

Charity trustees can open most decisions to the membership but are only bound to act on decisions taken by the membership where the governing document, rules or general law directs that they must.

Where members who are entitled to vote are not present at the actual meeting then it may be appropriate to have a postal vote. The charity's governing document will normally state whether this is acceptable. More recently, charities have begun to make use of electronic means of notification

and voting. In practice there is no reason why electronic voting cannot be used where members have signalled that they are happy to receive notification in this way, if authenticity of the vote can be achieved.

Where there is an express provision to the contrary in a charity's governing document, then trustees will not be able to accept votes electronically. Where the governing document states that postal votes are acceptable, this will normally preclude the use of electronic communication.

Strong governance procedures will help charities manage their meetings and ensure that they are always carried out correctly. A number of considerations for best practice are laid out below:

- make sure that the whole membership can exercise its right to vote at the intervals specified in the governing document by providing enough information about the proposed times and dates for the AGM;
- follow the correct procedures to ensure that proxy, postal and electronic voting cannot be abused; and
- carefully record the decisions taken at any meetings.

Establishing a quorum level

The governing document sets out the number of members eligible to vote who must be present at the meeting (either in person or by proxy) in order for the decisions taken at the AGM to be valid - the 'quorum'. Our publication **Charities and Meetings (CC48)** provides best practice advice on voting procedures and quorum requirements.

Part B: Best practice - some guidelines

The number of people required for a quorum should be a key consideration in any charity. Where the quorum is set too high there may be difficulties achieving it and any absences may make it difficult to have a valid meeting. If it is too low, a minority may be able to impose its views unreasonably.

The quorum should be set at a realistic level because decisions made at a meeting that is inquorate are invalid. Failure to achieve a quorum can, therefore, seriously disrupt the decision-making process of a charity.

The quorum is often a percentage of the overall number of members. As a charity changes or grows, the proportion of the membership that can realistically be expected to attend the AGM may change and trustees should ensure that they amend their governing document to reflect these changes.

Problem cases that the Charity Commission sees are commonly those in which a charity has been unable to achieve their quorum level at meetings but have not taken this into account and have continued as though the quorum had been achieved. Decisions made at an inquorate meeting are not

legally binding so a trustee body elected at an inquorate meeting cannot legally act as trustees. This can bring the charity to a standstill because no body within the charity has the authority to call a meeting to rectify the situation.

The Charity Commission can help in such situations by making an Order giving trustees authority to hold a proper meeting and get the charity back on track. The Charity Commission will also advise a revision of the quorum provision for such charities.

Inquorate or illegally held meetings are often cited by complainants in charities in which there is a dispute. Clarity and transparency of voting procedures are crucial to mitigate the opportunity for members to use this in an attempt to overturn decisions with which they are unhappy.

Where trustees are finding their quorum unworkable or unachievable, they should check whether they have the power to amend the provision. Where they do not have the power, or the governing document is silent, trustees should contact the Charity Commission for assistance.

This case illustrates one way in which difficulties in achieving a quorum can be resolved.

A medium sized charity ran into difficulties because the quorum for the AGM was set at 100 members. The trustees found it impossible to meet this number and approached the Charity Commission for advice on resolving the situation.

The trustees were effectively hindered by the terms of the charity's governing document which did not contain a clearly defined membership provision. Hence the large number for a quorum. However, it did have an amendment clause and, on the Commission's recommendation, the trustees acted on their powers to amend the Constitution.

As well as reducing the quorum, the resulting amendment also allowed for a tiered membership provision that addressed the specific responsibilities for each membership category. In this way the charity was able to operate more efficiently and the members had a clearer understanding of their role and what was expected from them.

Part B: Best practice - some guidelines

Best practice in managing membership structures

Case examples illustrate that when charities have a very large membership they need to pay particular attention to their communication strategies and to the organisation of their AGM. Trustees need to ensure that the size of their membership is not unmanageable since the number of voting members required to attend the AGM in order for a vote to be valid (the *quorum*) will normally be a percentage of the overall number of members.

Maintenance of an up-to-date membership list is essential to ensure that all members receive necessary information about the charity, especially regarding the AGM. Charities with larger memberships may have staff responsible for managing communication with members and maintaining the membership list, or they may outsource these services, all of which will incur costs for the charity. When outsourcing, trustees are responsible for ensuring that they get value for money.

Different membership structures require attention to different aspects of management. For example, where the regional body is a separate charity, members of the regional charity elect their own trustee body which then represents their views to the national charity. Where the regional body is not a charity, the structure is similar with regional votes being collective and represented upwards to the national charity. This structure can cause confusion among members and other stakeholders about whether they are members of the local organisation or of the national body, or both. There can also be tension between local and national interests. It is the responsibility of the trustees of the local and national bodies to ensure that their members are clear about how the voting structure works and to attempt to resolve any tensions. Again, good lines of communication are important.

Best practice in managing diversity

Procedures for agreeing new members vary. Trustees should ensure that their procedures do not have the effect of excluding anyone who could legitimately join the charity. In most charities, membership is automatic, provided the prospective members meet some criteria (laid out in the governing document or rules) such as to have residence in a particular area or to hold a particular faith. Limitation of the membership in this way is acceptable provided the test of public benefit is met. The principles of the public benefit test are set out in **Part C**.

In some circumstances, membership may be subject to approval by a general meeting of the members or the trustee body. Charities that require new members to be proposed and seconded by existing members need to be sure that this does not amount to indirect discrimination. This could occur if, for example, all the existing members are from one racial group and this is seen to act as a barrier to people from other groups becoming members.

Best practice in managing the balance of power

Trustees are sometimes under a misapprehension that they are answerable to their corporate members in a different way to individual voting members. Unless the governing document says otherwise, the votes of corporate members should not carry any greater weight than individuals'. In some circumstances, however, corporate members may be allocated a larger number of votes if the trustees consider that their corporate members provide a greater degree of accountability.

Part B: Best practice - some guidelines

A membership that is actively and positively involved in the running of a charity, exercising its right to vote and keeping itself informed about what is happening in the charity, is necessary if the benefits of having a membership are to be realised.

"While we would wish to see our membership engaged to a greater degree, regrettably this does not happen."

Survey respondent

There is a fine line between members calling the board to account for the best interests of the charity and members asserting their power to the detriment of the smooth running of the charity. Valuable time and resources are wasted by charities in which disagreement among the membership means that key decisions cannot be made or the board is changed too frequently to be effective.

In cases where the ideological commitment to an organisation is high, or where the interests of the members in how the charity is run are significant, views can manifest themselves in strongly voiced opinions. In many cases this is not problematic so long as there are sufficient procedures setting out how members can voice their views.

Members that oppose certain decisions taken by a charity usually believe that their views are in the best interests of the charity but, if the actions of the membership are preventing the charity from carrying out its legitimate aims, the membership should try to find a solution. It is never in the best interests of the charity to prevent it from operating. Ultimately, if there is no way to come to a compromise, members should consider leaving the organisation or using their legitimate right to vote in order to achieve change. Members should remember that, in any democratic decision,

the views of some people will not be reflected in the final action. Members should abide by decisions taken fairly and in good faith.

The governing document needs to be clear which rights and powers are reserved for members and which are granted to the governing body or other persons such as the founding trustee. Commonly, members of a charity have the right to elect and appoint the governing body and the governing body is given full control over the management of the charity at all other times.

Trustees are only obliged to put a resolution to the vote of the charity's members or subscribers where the governing document or any rules adopted by the charity or the general law requires it. On other decisions the trustees may choose to do this or simply put the decision to their members for a recommendation rather than to decide the course of action.

The different powers that rest with members vary considerably from charity to charity. In some instances members are asked to vote on the appointment of the full trustee board annually, in others their decision input is limited to appointing a proportion of the body on a bi-annual basis or three-year cycle.

Liability for decisions taken

In some cases, executive powers are constitutionally reserved or assigned to persons other than the charity trustees, such as members. This is not a problem so long as the assigned powers are exercised in the interests of the charity. In such a case, the charity trustees would only have liability for the consequences of giving effect to the decision of the person or people who made that decision, if giving effect to that decision involved their doing something that was a breach of trust.

Part B: Best practice - some guidelines

There should be a clear distinction between the agenda items on which members can make a decision and those that require only recommendation from the membership and will not necessarily decide the course of action.

Trustees' power to remove members

A number of legal rules exist relating to the circumstances in which trustees can remove members and individual charities may have their own criteria and procedures that must be followed.

There are cases in which a member has attempted to sue the trustees after having been removed from the membership of the charity.

In one instance the removed member sued all of the trustees and other members who had given evidence in support of the removal. The case was unsuccessful, however, and the charity's legal costs were covered by insurance.

This was only the case because trustees had followed carefully the provisions within the charity's Memorandum of Association and taken extensive legal advice when making the removal. **Part C** provides the legal detail for removing members.

Members' powers to remove trustees

Members can express their views on the policies of the trustee board by exercising their right to vote at the charity's AGM where the membership is usually called to nominate and sanction the appointment of new trustees.

The membership can also call an extraordinary general meeting (EGM), sometimes called a special general meeting (SGM). These can be used to discuss any of the decisions or actions taken by the governing body if members feel that they are not fulfilling the charity's aims and objectives or where they feel that the charity is not being administered properly.

This case is an example of how a charity dealt with removing an individual's membership.

A member of a local branch of a national charity wrote to the Charity Commission to complain that he had been removed from the charity's mailing list. This meant that effectively his membership had been terminated without his consent.

Initial enquiries revealed that the trustees were in dispute with the individual concerned and had taken a majority decision to act according to the powers available to them in their governing document. The trustees felt that this was the most appropriate way to resolve matters. On reviewing the case it was confirmed that the charity's governing document did allow for members to be excluded under certain conditions.

After evaluating the matter, the Charity Commission advised the complainant that it could not intervene with administrative decisions **if** these were within the discretion of the trustees. The Charity Commission advised the complainant to contact the national charity as the appropriate body to deal with this type of concern.

Part B: Best practice - some guidelines

This is not the only purpose for an EGM and commonly trustees will call one for consideration of non-recurring business that requires members' approval in between AGMs (such as alterations to the governing document). Trustees cannot refuse to hold an EGM provided that the members have satisfied all the rules in the governing document relating to organising one.

Key to the level of power that members may have in this respect is the number of trustees or the proportion of the governing body which they are able to elect.

Appointment of trustees

Members are able to influence the direction of the charity through the election of a trustee board that they believe will serve it well. Having only a proportion of the trustee body elected by the membership may ensure that there is a measure of

continuity but this could also limit the extent to which newly elected members can make amendments to the direction of the charity or the way in which it is run.

It is important that the trustee body is not changed with unnecessary frequency (which can happen in charities in which there are opposing groups within the trustee body and/or the membership) and that paperwork is kept up-to-date so that administration does not become neglected.

Our model constitutions recommend that the governing document contains a rule limiting the length of time for which a trustee can serve and that terms of trusteeship should be staggered so that the whole board is not replaced at once.⁸

Charity Commission publication **Trustee Recruitment, Selection and Induction (RS1)** provides some best practice suggestions for the induction of new trustees.

This case illustrates how internal disputes can disrupt the smooth running of a charity.

A disagreement within the trustee body of a medium sized charity escalated into a situation where the charity could not function and the Charity Commission became involved.

The members effectively divided into two opinion groups in line with the groups within the trustee body. Members from each side then inappropriately employed their right to call extraordinary general meetings to elect the trustees with whom they empathised. This meant that the trustee body was constantly changing as the group of members who were stronger at the particular meeting would vote in one set of trustees only for them to be overthrown at a later date.

The problem was exacerbated by the fact that the provisions in the governing document were very vague and the criteria for membership was not clearly defined. Both sets of trustees attempted to recruit new or additional members who agreed with their views giving weight to their 'side' and improving their chance to be elected at the next EGM.

⁸ Model Memorandum & Articles of Association for a Charitable Company (GD1) and Model Constitution for a Charitable Unincorporated Association (GD3).

Part B: Best practice - some guidelines

The Charity Commission hoped to assist by amending the governing document in order to stabilise the trustee body and clarify the membership provision. However, before these measures could be put in place the main funder of the charity decided that they would withdraw their support. The charity was not able to carry out its charitable purpose and as a result of this decided to close down.

The poor membership provisions in the governing document and the inability for trustees and members to prioritise the needs of the charity over their own preferences meant that charitable resources were wasted and charitable activity could not be carried out.

Best practice in solving disputes

Clear rules and procedures setting out the way in which the membership is expected to contribute to the charity and the terms on which trustees should respond to their views will help to avoid disagreements and act as a point of reference if they do occur.

If the actions of trustees are lawful, disagreements cannot be settled in court or by referring the matter to the Charity Commission. Trustees should consider whether a clause stating that disputes should go to mediation is appropriate for their charity. Mediation does involve costs but may mean that disputes are solved before they get out of hand and become a drain on charity resources.

Part C: Legal considerations

Public benefit

Trustees need to give careful consideration to the way in which eligibility for membership is determined within their charity. No one has an automatic right to membership of a charity but restrictions on membership must normally be avoided and eligibility for membership should be as open as possible.

In certain circumstances, which should be transparent, restrictions on membership may be necessary. Particular care needs to be taken when membership is a prerequisite to receiving a benefit from the charity. Here any restriction may impact on the level of public benefit the charity is able to demonstrate. Restrictions on membership must not be used as a means of conferring a non-charitable and purely private benefit.

The level of non-charitable 'private benefit' that members of a charity can receive is also an important consideration, particularly in the case of learned societies or professional bodies in which there are quite tight restrictions to membership. Charities need to ensure that the distribution of membership benefits does not cause their charity to fail the public benefit test that is a prerequisite for charitable status.

Our publications **The Public Character of Charity (RR8)** and **The Recreational Charities Act 1958 (RR4)** provide a more detailed explanation of the principle of public benefit.

Members' rights

The administrative rights of members fall into two categories:

- (1) rights which are connected with determining the organisational structure of a charity eg rights directly or indirectly relating to the appointment or removal of charity trustees, or to the amendment of the charity's constitution; and
- (2) rights which go directly to the operation of a charity, for example a right reserved to a charity founder by the governing document of a charity to direct how the resources of the charity should be applied. This includes provisions which enable or require a distinct person or people to approve or validate a decision taken by the charity trustees.

Normally membership charities will have either a constitution, if it is a Charitable unincorporated association, or a Memorandum and Articles of Association where the charity is a company. Whilst it is uncommon for charities whose governing instrument is a trust deed to have a membership as we define it here, there is no legal reason why they cannot. Other, less common forms of governing document, for example a Scheme or Act of Parliament, may or may not have a membership and this will vary in each individual case.

Part C: Legal considerations

The governing document of a charity may confer a number of enforceable administrative rights on people other than the charity trustees. These may be enforceable either as a matter of contract, trust or both.

The property of all charities, whatever form of governing document they have, other than the corporate property of charities which have been incorporated by or under statute, is held on trust.⁹ The following is true of any charity that has property that is held on trust:

- If the governing document of the charity is also evidence of a contract between the members of the charity, then the members may enforce any administrative rights which the governing document gives them as a matter of contract.
- Whether or not the governing document is evidence of such a contract, any administrative rights which are conferred by the governing document on members, or any other persons separate from the charity trustees, are enforceable as a matter of the law of trusts, because those rights are part of the trusts of the charity.

However, the corporate property of charities that have been incorporated by or under statute is not held on a trust. Therefore members' administrative rights in connection with such property are not legally enforceable under trust law.

In the case of a charitable company, members' administrative rights are legally enforceable in accordance with the provisions of section 14 of the Companies Act 1985 which says that the governing document of the company binds it and its members to the same extent as if those documents had been respectively signed and sealed by each member and contained covenants on the part of each member to observe all of the provisions of the governing documents.

Where the governing document is silent, and does not allocate administrative rights elsewhere, then it is assumed that the trustees have overall control over decisions.

Members' voting obligations

Members of a *non-charitable* company do not have an obligation to exercise their rights in "the interests of the company". When exercising their voting rights, members of non-charitable companies are entitled to take account purely of their own interests.

However, the Charity Commission considers that the rights that exist in relation to the administration of a *charitable* institution are fiduciary, regardless of the identity of the person or persons on whom the rights are conferred. Therefore this applies to both individual and corporate members.

⁹ Corporate property is owned beneficially by a company in just the same way that an individual owns his property, except that a company can only deal with the property in a manner which is authorised by its governing documents. The profit obtained by the sale of goods or services by a charitable company, and unrestricted gifts or grants to the company, are examples of corporate property.

If, under the terms of the governing document of an institution, administrative rights can be exercised otherwise than in the interests of the institution, without a breach of trust or duty being committed, then the question arises whether the institution is in fact established for **exclusively** charitable purposes. If this is the case, the organisation is not charitable.

Some uncertainty does exist, however, about the extent to which members of charitable companies are legally obliged to vote in the best interests of the charity of which they are a member. It has been argued that the members of charitable companies are in the same position legally as the members of non-charitable companies. It is proposed that for the new Charitable Incorporated Organisation structure, legislation should make it clear that the administrative rights of members must be exercised in a fiduciary way.

Removing members

A governing document may set out the minimum procedures/rules relating to the expulsion or suspension of members. In many cases the trustee body retains the right to terminate the membership of any member, provided that the member concerned shall have the right to be heard, accompanied by a relative, friend or advocate (if wished) before a final decision is made.

As regards unincorporated organisations, there is no inherent power to expel a member (*Dawkins v Antrobus* (1881) 17 Ch.D 615, 620). Where there is no power to

expel a member, but there is provision to amend the governing document, a new power to expel a member whose conduct is injurious to the organisation will be valid provided it is properly adopted under the prescribed machinery. However, its operation cannot be made retrospective (*Dawkins v Antrobus*; *supra*). A power to expel a member must be exercised in good faith and not capriciously and the basic requirements of a right to be told the nature and details of the offence and reasons for the expulsion or suspension, a right to notice of the hearing and a right for the members to put his case are well accepted (*Labouchere v Earl of Wharncliffe*, (1879) 13 Ch D 346; *Calvin v Carr* [1980] A.C. 574). These principles also apply to suspension of membership.

Trustees also have the power not to admit some members to the charity. Prospective members may be denied admission to the membership if the trustees believe that their motivation for joining is contrary to the aims of the charity. Members can also be expelled for this reason (*Royal Society for the Prevention of Cruelty to Animals v Attorney General and Others* [2001] 3 All ER 530).

Powers to exclude from membership are fiduciary in nature and must therefore be exercised according to the purposes for which they were conferred in good faith in the interests of the charity and satisfy the rules of natural justice. Trustees cannot use these legal rules to adopt an arbitrary method of implementing a membership policy so as to ensure (for example) that the membership does not contain people that might oppose their views.

Annex A - Research techniques and survey findings

The data used in this report was derived from seminars with Charity Commission staff, meetings with individuals and groups of charities and an examination of the Charity Commission's extensive casework archive.

In addition an independent research company was commissioned to undertake a postal survey of 3000 charities in England and Wales during December 2003. The survey achieved a response rate of 50% (1508 questionnaires) which is an excellent response rate for this type of survey. This allows a confidence interval exceeding +/- 3%, which is industry standard.

The survey sample was stratified into the following income bands:

Charity size classification

Small	income less than £10,000
Medium	income £10,000-£249,999
Large	income £250,000-£999,999
Very large	income £1,000,000+

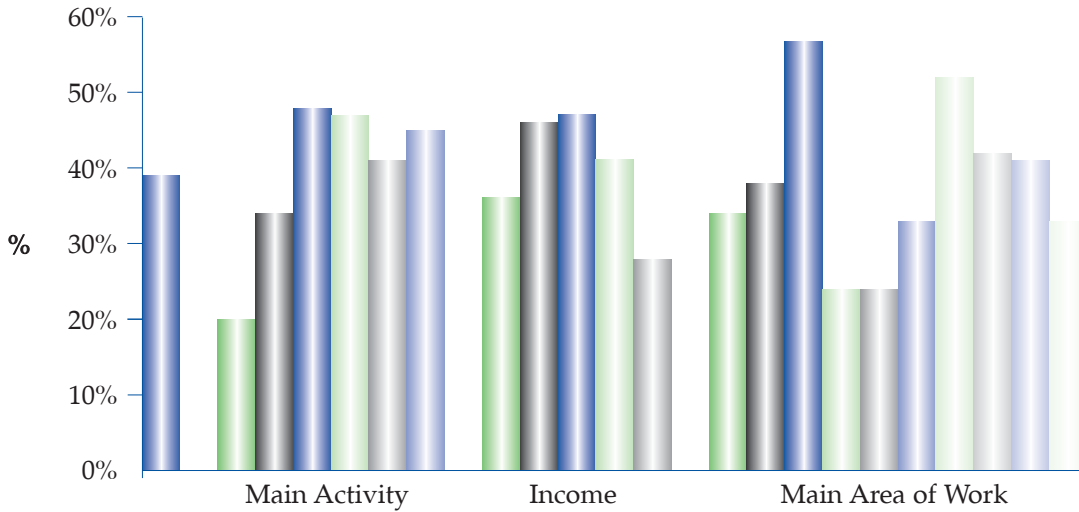
Charities were asked to classify the type of activity that they undertook:

Charity activity classification

Financial assistance	providing financial assistance (eg grant awarding to individuals and/or organisations)
Buildings	providing buildings/facilities/open space
Services	providing services (eg care/counselling)
Advice	providing advocacy/advice/information/education
Umbrella body	acting as an umbrella/resource body
Research	sponsoring or undertaking research

Survey findings

The profile of the charities surveyed who had individual members



Base (All): 1508

Total (39%)

Main Activity

- Financial Assistance (20%)
- Buildings (34%)
- Services (48%)
- Advice (47%)
- Umbrella Body (41%)
- Research (45%)

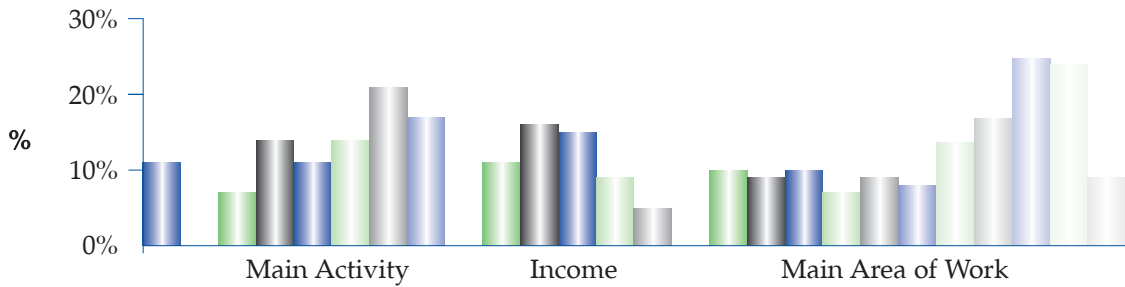
Income

- £1 million+ (36%)
- £250k-£999k (46%)
- £100k-£249k (47%)
- £10k-£99k (41%)
- Under £10k (28%)

Main Area of Work

- Education (34%)
- Medical/Health (38%)
- Disability (57%)
- Relief of Poverty (24%)
- Housing (24%)
- Religion (33%)
- Arts/Culture (52%)
- Sport (42%)
- Environment (41%)
- General (33%)

The profile of the charities surveyed who had corporate members



Base (All): 1508

Total (11%)

Main Activity

- Financial Assistance (7%)
- Buildings (14%)
- Services (11%)
- Advice (14%)
- Umbrella Body (21%)
- Research (17%)

Income

- £1 million+ (11%)
- £250k-£999k (16%)
- £100k-£249k (15%)
- £10k-£99k (9%)
- Under £10k (5%)

Main Area of Work

- Education (10%)
- Medical/Health (9%)
- Disability (10%)
- Relief of Poverty (7%)
- Housing (9%)
- Religion (8%)
- Arts/Culture (14%)
- Sport (17%)
- Environment (25%)
- Economic (24%)
- General (9%)

Survey findings

Table 1: Number of individual members - by income

	Total	Small	Medium		Large	Very Large
		Under £10k	£10k-£99k	£100k-£249k	£250k-£999k	£1m or more
	%	%	%	%	%	%
Base (All with individual members)	591	93	138	136	125	99
Up to 5	7	4	5	7	10	9
6-9	4	4	1	4	5	9
10-24	15	28	14	15	13	6
25-49	13	18	12	14	12	11
50-99	14	13	18	10	15	12
100-999	26	15	36	35	24	13
1000+	14	2	8	9	18	34
Don't know/not stated	7	15	7	6	2	5
Average number of members per charity	1972	232	426	342	1230	8740

Table 2: Number of individual members - by main activity

	Total	Financial Assistance	Buildings	Services	Advice
	%	%	%	%	%
Base (All with individual members)	591	66	70	141	146
Up to 5	7	9	4	7	8
6-9	4	5	6	4	5
10-24	15	21	17	16	14
25-49	13	11	9	16	14
50-99	14	6	10	15	13
100-999	26	21	40	25	23
1000+	14	18	7	10	19
Don't know/not stated	7	9	7	7	6
Average number of members per charity	1972	1312	410	672	4892

Note: Other columns excluded as too small for analysis

Survey findings

Table 3: Number of other members - by income

	Total	Small	Medium		Large	Very Large
		Under £10k	£10k-£99k	£100k-£249k	£250k-£999k	£1m or more
	%	%	%	%	%	%
Base (All with other members)	300	35*	51*	67	73	74
Up to 5	19	14	28	24	12	16
6-9	5	9	4	5	3	7
10-24	14	17	18	15	19	5
25-49	5	14	6	6	3	-
50-99	8	3	18	5	7	10
100-999	18	3	18	21	25	16
1000+	20	6	6	5	25	43
Don't know/not stated	11	34	4	21	6	3
Average	5991	116	153	156	1186	20741

* Low bases

Table 4: Summary of member types

	Total	Individual	Corporate	Other
	%	%	%	%
Base (All)	1508	591	170	300
Individual	39	100	55	59
Corporate	11	16	100	14
Other	20	30	25	100
None	49	-	-	-

Survey findings

Table 5: Combination of member types - by income (excluding charities that have no members)

	Total	Small	Medium		Large	Very Large
		Under £10k	£10k-£99k	£100k-£249k	£250k-£999k	£1m or more
	%	%	%	%	%	%
Base (All with members)	774	112	166	174	171	151
Individual <i>and</i> corporate <i>and</i> other	4	1	0	6	5	4
Individual <i>and</i> corporate	8	4	10	9	11	6
Individual <i>and</i> other	20	20	19	16	20	24
Corporate <i>and</i> other	2	1	1	3	2	2
Individual only	44	58	54	47	37	32
Corporate only	8	6	5	6	9	13
Other only	14	10	11	13	15	19

Table 6: Combination of member types - by income (including charities that have no members)

	Total	Small	Medium		Large	Very Large
		Under £10k	£10k-£99k	£100k-£249k	£250k-£999k	£1m or more
	%	%	%	%	%	%
Base (All)	1508	258	299	292	309	350
Individual <i>and</i> corporate <i>and</i> other	2	*	-	4	3	2
Individual <i>and</i> corporate	4	2	6	6	6	3
Individual <i>and</i> other	10	9	10	10	11	10
Corporate <i>and</i> other	1	*	1	2	1	1
Individual only	23	25	30	28	20	14
Corporate only	4	3	3	3	5	6
Other only	7	4	6	8	8	8
None	49	57	45	40	45	57

* Less than 0.5%

Survey findings

Table 7: Combination of member types - by main activity (excluding charities that have no members)

	Total	Financial Assistance	Buildings	Services	Advice	Umbrella Body	Research
	%	%	%	%	%	%	%
Base (All with members)	774	94	95	182	185	43*	17**
Individual <i>and</i> corporate <i>and</i> other	4	3	4	2	5	7	0
Individual <i>and</i> corporate	8	7	12	7	11	7	18
Individual <i>and</i> other	20	18	16	16	22	7	24
Corporate <i>and</i> other	2	1	3	3	1	5	0
Individual only	44	41	42	52	42	42	35
Corporate only	8	13	11	5	8	14	12
Other only	14	16	13	14	12	19	12

* Low base ** Very low base

Table 8: Combination of member types - by age of charity

	Total	5 years or less	6-20 years	21-100 years	101+ years
	%	%	%	%	%
Base (All)	1508	258	299	292	309
Individual <i>and</i> corporate <i>and</i> other	2	3	0	3	2
Individual <i>and</i> corporate	4	1	4	6	3
Individual <i>and</i> other	10	11	8	12	11
Corporate <i>and</i> other	1	2	1	1	1
Individual only	23	17	24	26	15
Corporate only	4	4	6	3	1
Other only	7	11	8	6	6
No members	49	51	49	44	61

Survey findings

Table 9: Combination of member types - by main area worked in (including charities that have no members)

	Total	Education	Medical	Disability	Relief Poverty	Religious Activities	Housing	Arts	Sport	Enviroment	General
	%	%	%	%	%	%	%	%	%	%	%
Base (All)	1508	400	152	84	68	130	68	95	60	64	94
Individual and corporate and other	2	2	1	0	3	3	1	3	2	2	3
Individual and corporate	4	3	3	6	1	2	1	2	5	5	13
Individual and other	10	7	9	21	1	10	3	10	18	10	8
Corporate and other	1	0	1	0	0	1	3	2	1	2	5
Individual only	23	22	26	30	18	18	18	18	26	25	17
Corporate only	4	4	5	4	3	1	3	1	5	8	5
Other only	7	6	4	12	4	14	9	14	7	0	11
None	49	56	52	27	69	51	62	51	35	48	39

Note: Other columns excluded as too small for analysis

Survey findings

Table 10: Reasons for thinking individual members useful/not useful

	Total %
Base (All with individual members)	591
<i>Positive Responses</i>	81
Gives users of charity a say/influence in how it's run	15
They help/contribute/participate	15
Members provide diverse opinions	13
Members' feedback is useful to committee/trustees	9
Members ensure services remain relevant to their/customers needs	7
We get the benefit of their experience	6
We get the benefit of their support	6
Ensures probity/transparency	6
Ensures charity is democratically run	6
Members provide financial support/contribute financially	6
Trustees/committee elected from membership	6
We get the benefit of their expertise and skills	5
Charity is run by the members for the members	5
Charity would not exist without the members	5
<i>Negative Responses</i>	10
Too few attend AGMs	3
Too few vote/participate	2

Note: Many other responses were given at a lower level

Survey findings

Table 11: Reasons for thinking corporate members useful/not useful

	Total %
Base (All with corporate members)	170
<i>Positive Responses</i>	75
They provide financial support	13
Provide expertise/experience	11
Provide useful advice	9
Oversee how the charity is run	9
Provide support	8
Provide connection/influence with local council/public sector	7
Get good cross section of opinions	5
Provides professionalism	5
<i>Negative Responses</i>	7
Too few attend AGMs	3
Too few vote/participate	2

Note: Many other responses were given at a lower level

Table 12: Terms used to describe other members

	Total %
Base (All with other members)	300
Sponsors	13
Friends	13
Associates/associate members	12
Patrons	7
Honorary members	5
Volunteers	4
Vice presidents	4
Junior members	4

Annex B - Glossary of terms

An **AGM** is an Annual General Meeting, open to all members.

Charitable company means a company formed and registered under the Companies Act 1985 or one to which the provisions of that Act apply, and which is established for charitable purposes.

Charity trustees are the people having the general control and management of the administration of a charity, regardless of what they are called. For instance, in the case of an unincorporated association the executive or management committee are its charity trustees, and in the case of a charitable company it is the directors who are the charity trustees.

The Companies Act means the Companies Act 1985 as amended.

Corporate members include companies, local authorities and other public bodies or organisations for which a nominated representative holds a right to vote at the charity's annual general meeting on behalf of the organisation that they represent. This category would also include any unincorporated charities and other not-for-profit organisations for whom a representative is a voting member of another charity.

An **EGM** is an Extraordinary General Meeting (occasionally referred to as a Special General Meeting (SGM) by unincorporated charities) and is any general meeting of members other than an AGM.

Governing document means any document that sets out the charity's purposes and, usually, how it is to be administered. It may be a trust deed, a constitution, memorandum and articles of association, rules, conveyance, will, Royal Charter, Scheme of the Commissioners or, in relation to an appeal, the published terms of the appeal inviting donations.

An **individual member** is an individual with the ability to affect the governance of a charity by voting at the charity's annual general meeting and who meets all other criteria for a member as set out in the charity's governing document. Trustees, directors and any other person who is on the governing body are excluded from this definition of a member.

A **quorum** is the minimum number of people entitled to attend and vote who must be present at a meeting to make valid decisions at that meeting. A quorum can be a fixed number or a percentage of those entitled to attend and vote. The number of people required to form a quorum is usually stated in the governing document.

Fiduciary duties are those that must be carried out for the benefit of the charity's beneficiaries.

Annex C - Resources for trustees

Organisations

■ *The Charity Commission for England and Wales*

Responsibility for charities is split between our three offices. Further information can be obtained from the Commission at:

London

Harmsworth House
13-15 Bouverie Street
London
EC4Y 8DP

Liverpool

2nd Floor
20 Kings Parade
Queens Dock
Liverpool
L3 4DQ

Newport

8th Floor
Clarence House
Clarence Place
Newport
NP19 7AA

Taunton

Woodfield House
Tangier
Taunton
Somerset
TA1 4BL

Tel: 0870 3330123

Minicom: 0870 3330125

E-mail: feedback@charitycommission.gsi.gov.uk

Website: www.charitycommission.gov.uk

■ *Arbitration and Conciliation Service (ACAS)*

ACAS is an organisation devoted to preventing and resolving employment disputes

Head Office

Brandon House
180 Borough High Street
London
SE1 1LW

Tel: 020 7210 3613

Website: www.acas.org.uk

■ *Association of Chief Executives of Voluntary Organisations (ACEVO)*

ACEVO provides good practice resources and information on sector issues.

83 Victoria Street
London
SW1H OHW

Tel: 0845 345 8481

Email: info@acevo.org.uk

Website: www.acevo.org.uk

Resources for trustees

■ *Association of Charitable Foundations (ACF)*

ACF promotes and supports the work of charitable grant-making trusts and foundations.

2 Plough Yard
Shoreditch High Street
London
EC2A 3LP

Tel: 020 7422 8600
Website: www.acf.org.uk

■ *Centre for Effective Dispute Resolution (CEDR)*

CEDR is widely regarded as a leading provider of alternative dispute resolution services.

Exchange Tower
1 Harbour Exchange Square
London
E14 9GB

Tel: 020 7536 6000
Website: www.cedr.co.uk

■ *Charities Aid Foundation (CAF)*

CAF helps non-profit organisations in the UK and overseas to increase, manage and administer their resources.

Kings Mill
West Malling
Kent
ME19 TA

Tel: 01732 520 000
Website: www.cafonline.org

Resources for trustees

■ *Charity Trustee Networks*

This charity offers mutual support by encouraging and developing self-help trustee network groups proving cost effective, peer to peer consultancy and mentoring.

PO Box 33834
London
N8 9XF

Tel: 0167 254 1781
Email: info@trusteenetworks.org.uk

■ *Directory of Social Change (DSC)*

The Directory promotes positive social change and provides a wide range of resources for trustees.

London
24 Stephenson Way
London
NW1 2DP

Liverpool
Federation House
Hope Street
Liverpool
L1 9BW

Tel (books): 020 7209 5151
Tel (training and events): London 020 7209 4949 & Liverpool 0151 708 0117
Website: www.dsc.org.uk

■ *Electoral Reform Society*

The Electoral Reform Society is a membership organisation which campaigns for improvements in democracy, particularly through the use of better voting systems.

6 Chancel Street
London
SE1 0UU

Tel: 020 7928 1622
Website: www.electoral-reform.org.uk

Resources for trustees

■ *Ethnic Minority Foundation (EMF) and the Council of Ethnic Minority Voluntary Organisations (CEMVO)*

EMF and CEMVO develop resources for black and minority ethnic organisations, these include networking and training opportunities and a trustee register.

Boardman House
64 Broadway
Stratford
London
E15 1NG

Tel: 020 84320 307
Email: enquiries@emf-cemvo.co.uk
Website: www.emf-cemvo.co.uk

■ *HM Customs and Excise*

For information relating to VAT queries refer to your local telephone directory for the contact details. General information is available from:

Tel: 0845 0109000
Website: www.hmce.gov.uk

■ *Institute of Chartered Secretaries and Administrators (ICSA)*

ICSA provides information and good practice guidance on governance issues affecting the sector. They also have a trustee register available to charities needing new trustees.

16 Par Crescent
London
W1B 1 AH

Tel: 020 7580 4741
Email: info@icsa.co.uk
Website: www.icsa.org.uk

Resources for trustees

■ *Institute of Fundraising*

The Institute of Fundraising aims to promote the highest standards of fund-raising practice.

Market Towers
1 Nine Elms Street
London
SW8 5NQ

Tel: 020 7627 3436
E-mail: enquiries@institute-of-fundraising.org.uk
Website: www.institute-of-fundraising.org.uk

■ *Mediation UK*

Mediation UK is a national voluntary organisation dedicated to developing means of resolving conflicts in communities.

Alexander House
Telephone Ave
Bristol
BS1 4BS

Tel: 0117 904 6661
Website: www.mediationuk.org.uk

■ *National Association for Councils for Voluntary Service (NACVS)*

The NACVS network provides a wide range of information and support for charities.

National Association for Councils for Voluntary Service
3rd Floor Arundel Court
177 Arundel Street
Sheffield
S1 2NU

Tel: 0114 278 6636
Email: nacvs@nacvs.org.uk
Website: www.nacvs.org.uk

Resources for trustees

■ *National Council for Voluntary Organisations (NCVO)*

Information available on fund-raising and governance issues and a range of general support services. The NCVO plans to publish a *Good Membership Guide* later this year.

National Council for Voluntary Organisations
Regent's Wharf
8 All Saints Street
London
N1 9RL

Tel: 020 7713 6161
E-mail: ncvo@ncvo-vol.org.uk
Website: www.ncvo-vol.org.uk, www.askncvo.org.uk

■ *Wales Council for Voluntary Action (WCVA)*

WCVA supports charities and the voluntary sector in Wales.

Baltic House
Mount Stuart Square
Cardiff Bay
Cardiff
CF10 5FH

Tel: 029 20431700
E-mail: enquiries@wcva.org.uk
Website: www.wcva.org.uk

Journals, magazines and newspapers

■ *Charity Finance*

3 Rectory Grove
London
SW4 0DX

Website: www.charityfinance.co.uk
Subscriptions tel: 020 7819 1200
E-mail: rcoley@charityfinance.co.uk

Resources for trustees

■ *Charities Management*

Mitre House Publishing
The Clifton Centre
110 Clifton Street
London
EC2A 4HD

Subscriptions tel: 020 7729 6644

■ *Charity Times*

Website: www.charitytimes.com
Subscriptions tel: 020 7426 0496/0123

■ *The Guardian/Society*

The Society section in Wednesday's edition of The Guardian is particularly useful.

Website: www.SocietyGuardian.co.uk

■ *Third Sector*

Website: www.thirdsector.co.uk
Subscriptions tel: 020 8606 7500
Email: subscriptions@haynet.com

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