

## The Regeneration Game

The range, role and profile of regeneration charities



The Charity Commission is the independent regulator for charitable activity. This is one of a series of reports that present our case-working experience, supplemented by additional research. Their purpose is to help increase understanding of an issue. They are part of our mission to help charities maximise their impact, comply with their legal obligations, encourage innovation and enhance effectiveness.

This report presents the findings of our research into charities that promote the urban and rural regeneration of areas of social and economic deprivation for the public benefit.

## Table of Contents

	Page
<b>Introduction</b>	<b>1</b>
<b>Executive summary</b>	<b>2</b>
<b>1. Scale</b>	<b>5</b>
1.1 The number of regeneration charities and their income	5
1.2 Where regeneration charities operate	6
1.3 Charities by area	6
1.4 Patterns of registration	8
1.4.1 Housing and regeneration charities	10
1.5 Impetus behind registration as a regeneration charity	11
<b>2. Areas of activity</b>	<b>12</b>
2.1 Analysis of regeneration activity framework	12
2.2 Themes from areas of activity	13
2.3 Faith groups	14
2.4 Wider charitable activities	15
2.4.1 Other activities	15
2.4.2 Community capacity building	18
2.4.3 Wider general charitable objects	18
<b>3. Profile of regeneration charities</b>	<b>19</b>
3.1 Types of governing document	19
3.2 Frontline or co-ordinators?	19
3.3 Profile of trustees	20
3.3.1 Numbers of trustees	20
3.3.2 Recruitment and induction practices	21
3.3.3 Difficulty recruiting trustees	21
3.3.4 Users on board	21
3.3.5 Conflicts of interest	23
3.4 Profile of employees and volunteers	23
3.5 Profile of charity property	24
3.6 Community consultation	25
3.7 Access to web	32
<b>4. Emerging trends</b>	<b>34</b>
4.1 Regulation	34
4.1.1 Evidence of regulatory compliance - submitting annual information to the Commission	35
4.1.2 Most common case issues	35
4.2 Impact, achievement and long-term aims	35
4.2.1 Impact	35
4.2.2 Achievements	36
4.2.3 Long-term aims	36
4.3 Risk	37
4.4 Funding	37
4.5 Dissolution of regeneration charities	41
4.5.1 Removed charities	41
4.5.2 Strategies in place for existing charities for dissolution	41
<b>Conclusion</b>	<b>42</b>
<b>Annex A - Example objects for urban and rural regeneration</b>	<b>43</b>
<b>Annex B - Research techniques and survey findings</b>	<b>44</b>
<b>Annex C - Glossary of terms</b>	<b>64</b>
<b>Annex D - Resources</b>	<b>65</b>
<b>Acknowledgements</b>	<b>69</b>

# Introduction

For the first time, the Charity Commission has carried out a review of regeneration charities in England and Wales. This report summarises our findings.

As part of our ongoing work to ensure that the definition of charity keeps pace with modern conditions, we continually review whether organisations that benefit from charitable status should continue to do so, and whether there is scope to develop further the boundaries of charitable status. As an example of our work in this area, following public consultation in 1999, we recognised the promotion of urban and rural regeneration for the public benefit in areas of social and economic deprivation as a charitable purpose in its own right.

Since 1999, over 250<sup>1</sup> organisations have adopted regeneration as a charitable purpose. The report is the first anywhere to look at the types of organisations that have registered as regeneration charities, the work they carry out and their

governance arrangements. It also looks at the innovative methods these charities use to engage with and benefit the communities they work with. Throughout, it highlights areas where these charities have procedures that are models of best practice, which could benefit other types of charities.

We found that these charities are acutely aware of their responsibility to ensure that the views of all sections of their community are represented and sometimes go to great lengths to do so and are always striving to improve. We also found that key issues for these charities are finding sources of ongoing funding and creating sustainable regeneration.

At a time when Government is proactively reviewing the role of the third sector<sup>2</sup>, we hope this report will make a positive contribution to that debate.

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<sup>1</sup> As part of our research we identified 265 charities with regeneration objects that follow the model established as part of our review of the Register of Charities in England and Wales in 1999. These charities are referred to in the report as 'regeneration charities'. We also conducted a telephone survey of 125 of these charities which we refer to as 'the sample'.

<sup>2</sup> In May 2006, HM Treasury and the Cabinet Office launched the Third Sector Review looking at the role of the third sector in social and economic regeneration, *Comprehensive Spending Review: Review of the future role of the Third Sector in social and economic regeneration – consultation with the Third Sector* – June 2006.

# Executive summary

## Key findings

To establish the range of regeneration charities, we looked at the numbers registering and the locations in which they operate:

- Since 1999, 257 charities<sup>3</sup> adopted the new regeneration objects and a further eight, which registered before that date have also changed their objects to include regeneration. The patterns of registration since 1999 show an overall increase year-on-year, apparently linked to accessibility of funding specifically available for regeneration of communities.
- The total annual income for regeneration charities is £519 million. This represents around 1.3% of the total income across the Register of Charities. Compared to the Register as a whole, regeneration charities are more likely to be larger by income (17% have an income of greater than £1 million compared to 4% of charities across the Register).
- Regeneration charities are more likely to operate in urban rather than rural areas. The geographical areas in which these charities operate match areas of high social and economic deprivation, with the highest proportions located in the North West of England and in London.
- While all regeneration charities are required to operate in areas of social and economic deprivation, 86% said that there had been a specific impetus that had led to them being established as a charity, whether that was availability of certain sources of funding for the area or a particular local event such as the decline of the mining industry or a period of civil disturbance.

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<sup>3</sup> This represents around 0.7% of registrations for the same period.

To establish the role regeneration charities play, we looked at the areas of activity in which they operate:

- On average, each regeneration charity engages in eight areas of activity. They are more likely to carry out people-based activities rather than developing local infrastructure. The most popular activities are the *relief of financial hardship*, the *relief of unemployment* and *education and training for unemployed people*. Areas of activity differ slightly between rural and urban-based charities.
- Only six regeneration charities registered since 1999 are specifically faith-based – many more may be set up with impetus from faith-based groups, but this is not reflected in their objects.

To establish the profile of regeneration charities, we looked at their governance arrangements and how they demonstrate their accountability to their beneficiaries and wider stakeholders:

- 87% are established as charitable companies, compared with only 15% of charities across the Register as a whole.
- Regeneration charities have above-average sized trustee boards. The average number of trustees across the Register as a whole for charities with an income below £250,000 is five, while regeneration charities are more likely to have nine trustees. The average number of trustees for charities with incomes above £250,000 across the Register is ten, while regeneration charities are more likely to have eleven.
- Trustee recruitment and induction practices among regeneration charities are of a very high standard: 63% of regeneration charities undertake a skills audit before recruiting new trustees compared to 17% of charities across the Register as a whole<sup>4</sup>. 73% check the eligibility of individuals to become trustees compared to 23% of all charities.
- 81% of regeneration charities have representative beneficiaries on the trustee board. 86% of regeneration charities regularly review the diversity of their trustee board.

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<sup>4</sup> Comparison percentages are taken from our research report *Start as you mean to go on: Trustee recruitment and induction*, published in July 2005.

- The majority of regeneration charities said that they have no strategy in place for withdrawing from the area of operation in the event that they fulfil their objectives or complete their specific programmes of work.
- 97% of regeneration charities have one or more methods in place to measure the impact and assess the effectiveness of the charity's performance. For example, 78% use stakeholder feedback; 84% measure outputs for grant providers; 61% practice some form of performance management and 40% use social audit.
- Funding issues were a recurring theme for regeneration charities throughout our research: 45% said that funding issues had affected their charities' activities detrimentally. One major challenge is securing sustainable funding. The end of established grants programmes such as the Single Regeneration Budget and the European Regional Development Fund may have reinforced to these charities the danger of becoming grant-dependent and many are increasingly aware of the need to strive towards a healthy mix of funding from a number of sources.

Many charities in our sample did not appear to have exit strategies in place, particularly for situations where they either fulfilled their objectives or specific programmes of activities. This is perhaps surprising, particularly in the light of the short-term nature of the funding for many of these charities.

## Conclusion

Analysis of this distinct group of regeneration charities, all of which are relatively recently registered, has revealed that there are some unique distinguishing features compared with charities across the Register as a whole. In particular, there are lessons for other charities in terms of good governance and measuring the impact of the work that they do. Of relevance especially is how these charities are effectively engaging with and reaching out to beneficiaries.

# 1. Scale

## 1.1 The number of regeneration charities and their income

A wide range of charities across England and Wales contribute towards regeneration of the communities in which they work. However, our research isolated those charities on the Register that had objects that included regeneration following our review of this area in 1999. We found that 265 charities met this criteria.

The total income of these regeneration charities was £519 million in the 2005/2006 financial year. Of this total, around £302 million is held by charities where the primary focus is housing, but these charities are also capable of regeneration. As the total income

across the Register is £39.7 billion, regeneration charities therefore account for around 1.3% of that total.

A significant proportion of regeneration charities (42%) had an annual income of between £10,001 and £250,000. The remainder was evenly distributed across the income band ranges.

Compared to the Register as a whole, regeneration charities are more likely to fall into the higher income bands, perhaps reflecting the range of activities and scale on which they carry them out.

### Regeneration charities split by income ranges compared to the Register as a whole

Income ranges	Percentage (and number) of regeneration charities	% of charities on the Register
£10,000 and under	17% (44)	52%
£10,001 - £249,999	42% (110)	35%
£250,001 - £1 million	19% (51)	5%
£1 million +	17% (46)	3%
Income not yet known <sup>5</sup>	5% (14)	5%
<b>Total</b>	<b>100% (265)</b>	<b>100%</b>

Although regeneration charities with an annual income of less than £1 million made up 78% of the 265 we looked at, they in fact held only around 7% of the total income of all regeneration charities. The 17% of charities with a known income of over £1

million account for around 93% of the income for this part of the sector. By comparison, across the Register as a whole, charities with an income of over £1 million hold around 81% of the total income.

<sup>5</sup> Newly registered charities are not required to submit annual accounts until the end of their first full financial year; therefore we have not yet received annual income figures for these.

## Regeneration charities' % income compared to the % income of the Register as a whole

Income band	% income of regeneration charities	% income of Register
£10,000 and under	0.03%	0.7%
£10,001 - £249,999	2.07%	8.4%
£250,001 - £1 million	5.1%	10.3%
£1 million +	92.8%	80.6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## 1.2 Where regeneration charities operate

We found the majority of regeneration charities (69%) are set up to carry out regeneration in both

urban and rural areas. Despite this, most of those charities primarily operate in urban areas.

### Where regeneration charities operate

Area	%
Urban	24%
Rural	7%
Urban and rural	69%
<b>Total</b>	<b>100%</b>

## 1.3 Charities by area

83% of regeneration charities on the Register were set up to operate on a local level within regions in England and Wales. 31 charities said that they operate nationally throughout England and Wales.

A further 20 carry out urban or rural regeneration overseas in one or more countries, and 8 have the remit to operate worldwide (although in practice they will primarily operate in a smaller area).

### Regeneration charities by area<sup>6</sup>

Area	Count
Regional	283
National	31
Overseas	20
Worldwide	8
<b>Total</b>	<b>342</b>

<sup>6</sup> Some charities will operate in a combination of areas; therefore the total exceeds the actual number of charities.

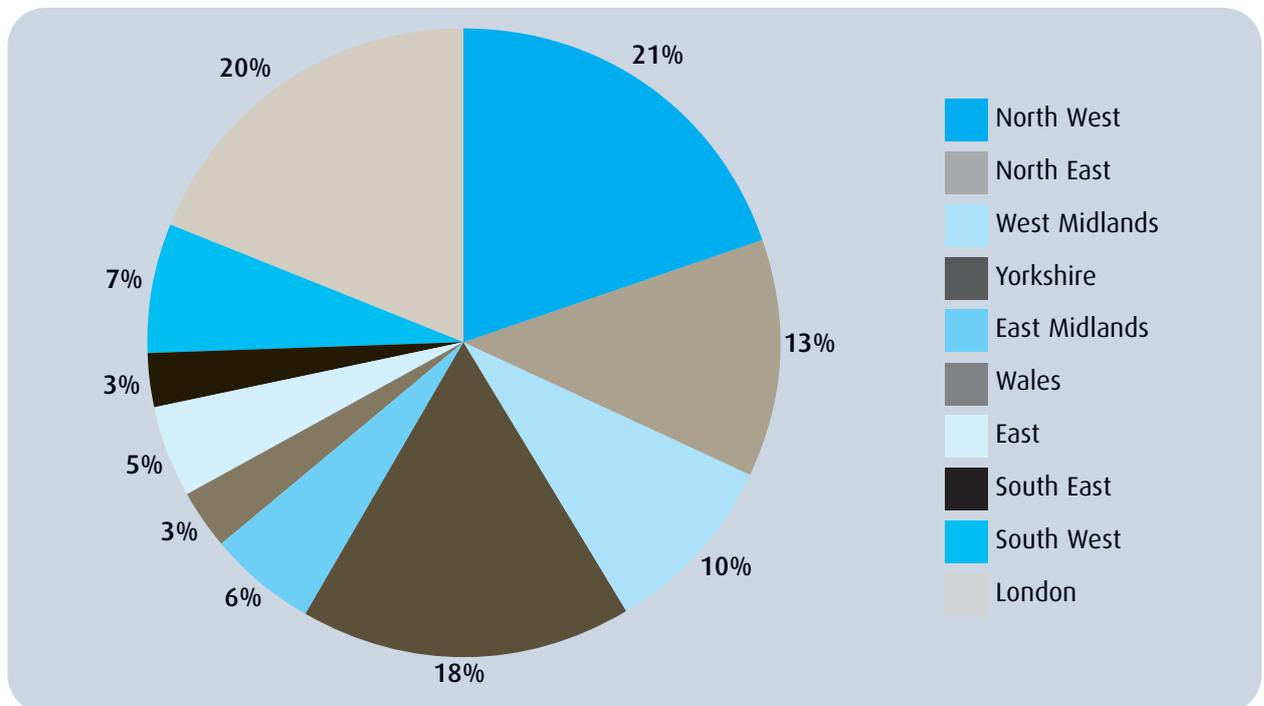
Of those charities operating within areas in regions across England and Wales (rather than nationally or worldwide), the majority work in areas within the North West (21%), followed by Greater London

(20%). The lowest proportion of regeneration charities operate in areas in Wales (3%), followed by East Midlands and the South West (both 6%).

### Regeneration charities by region

Region	Number of occurrences	% of regeneration charities
North West	56	21%
Greater London	52	20%
Yorkshire and the Humber	48	18%
North East	35	13%
West Midlands	26	10%
South West	18	7%
East Midlands	16	6%
East	14	5%
Wales	9	3%
South East	9	3%
<b>Total</b>	<b>283</b>	-

### Regeneration charities operating regionally



To be charitable, regeneration needs to take place in areas of social and economic deprivation. Not surprisingly, therefore, our research also found a

correlation with the density of charities operating in regions across England and Wales and areas of high deprivation<sup>7</sup>.

<sup>7</sup> See Indices of deprivation 2004 (revised) available on the website for Department for Communities and Local Government [www.communities.gov.uk](http://www.communities.gov.uk)

## 1.4 Patterns of registration

We found that not all charities with regeneration objects started out as such. Eight charities which were registered before 1999 (when regeneration was recognised as a charitable purpose) subsequently

considered that their activities fitted with this purpose and therefore amended or replaced their existing objects with the newly recognised regeneration charitable purposes.

### Case study

SMART Charitable Trust is a large<sup>8</sup>, locally based charity in South Liverpool on Merseyside.

The charity was originally established in 1993 to undertake a wide variety of activities including the provision of public health facilities and childcare, for the general benefit of the inhabitants of the local area, some of which were neighbourhoods designated as areas of acute deprivation.

A number of projects are run by the Trust including:

- Kids' clubs
- Day nursery
- One stop shop - for a number of community based services
- Pre school

Although the charity was not originally established for regeneration, its activities closely followed the purposes we recognised as charitable in 1999 and so it formally adopted regeneration objects some time after it was established. It did this to reflect more accurately the work it was doing within its local community.

Part of this work was the creation of sustainable social enterprises, especially in the area of childcare provision. It achieves this by working with local partnerships, public and private sectors and co-operating with other community groups in the area. It also provides advice and guidance on a number of topics focussing mainly on childcare, small business advice and help for people with disabilities.

Changing the charity's objects to better reflect its activities meant that it was able to apply for other sources of funding that had previously been unavailable. It may not have been able to offer the broad range the activities listed above had it not done this.



<sup>8</sup> We have described charities as 'small' or 'large' according to their income band (see the table in *Annex B* for more information). This is for our research purposes only and in no way reflects the standing of the charity concerned or makes a judgement on its impact in its own community.

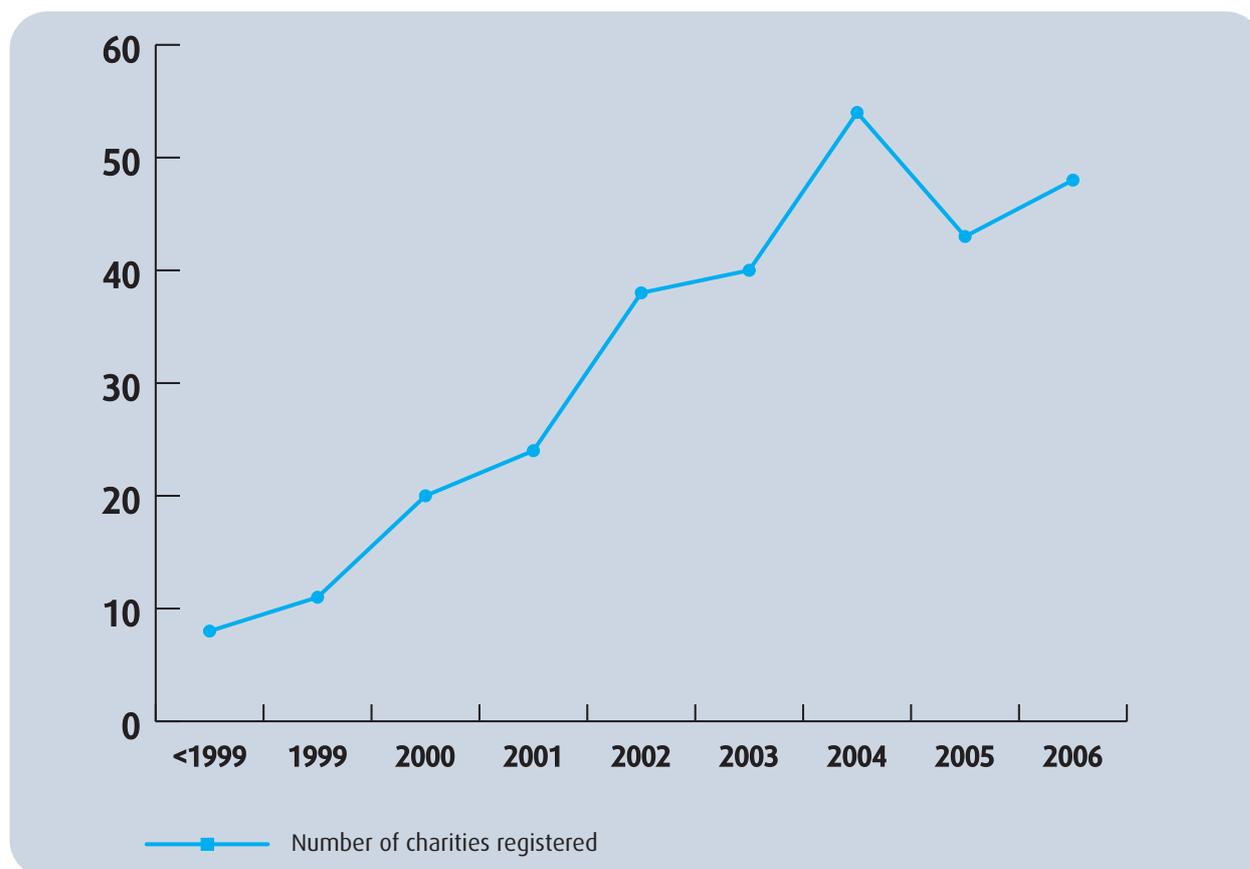
Analysis of regeneration charities registering year-on-year since 1999 shows that the numbers rise sharply, peaking in 2004. There is some evidence that the peak in 2004 may be related to the planned

withdrawal of key sources of funding for this area of activity between 2004 and 2006<sup>9</sup>, which may have caused the higher number of new organisations to be created as a result of final grants.

#### Regeneration charities by year of registration

Year of registration	Number of charities
<1999	8
1999	11
2000	20
2001	24
2002	38
2003	40
2004	54
2005	43
2006	48 <sup>10</sup>

Graph showing the patterns of registration year on year



<sup>9</sup> For example the Single Regeneration Budget (SRB) and the European Regional Development Fund (ERDF).

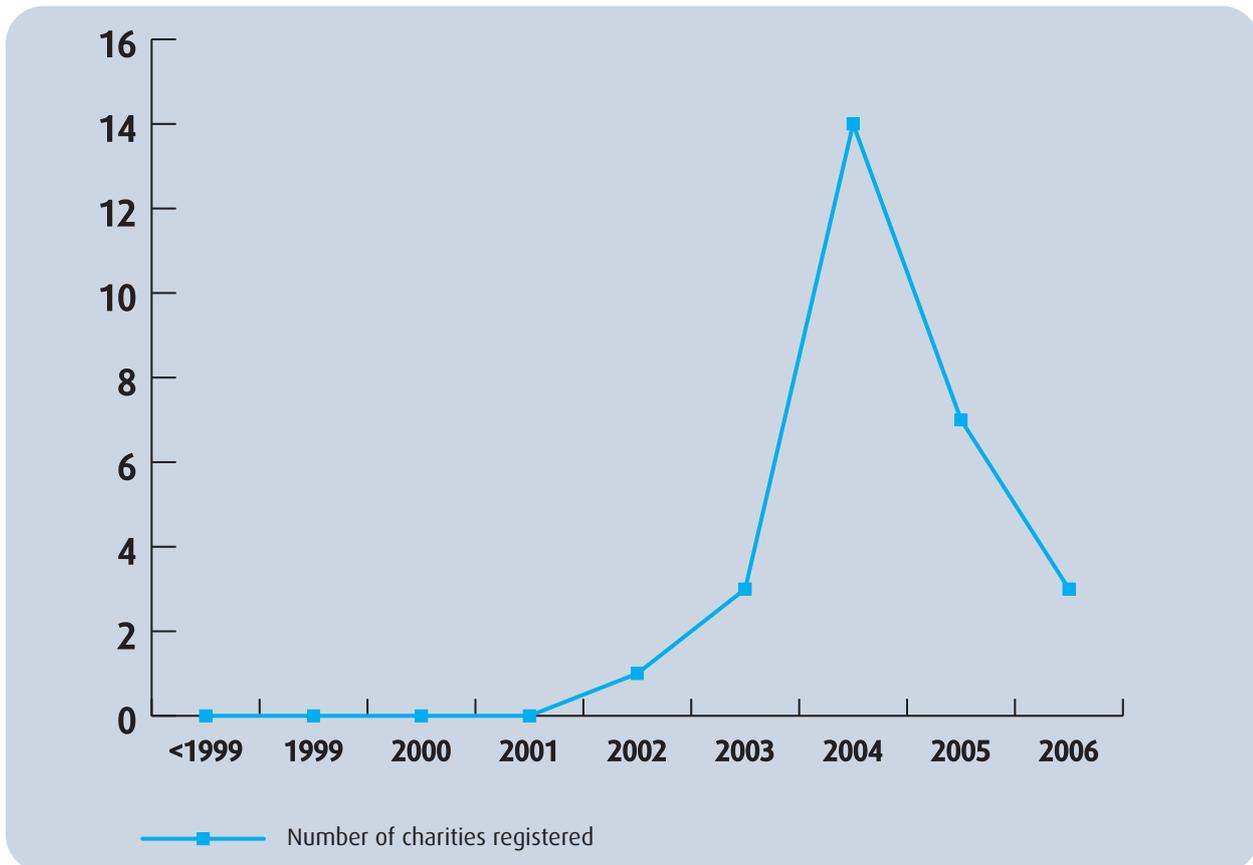
<sup>10</sup> Projected figure based on an average of 4 registrations per month, between January and July 2006.

### 1.4.1 Housing and regeneration charities

A number of regeneration charities (29) have a particular focus on the provision of housing in the area in which they operate, but in the wider context of regeneration. Our research found a significant

proportion of these charities registered in 2004 (48%), which may also be linked to the funding issues mentioned earlier.

#### Dates of registration of housing charities



## 1.5 Impetus behind registration as a regeneration charity

As mentioned above, to register as a regeneration charity, there is a requirement that the area of benefit must be one of social and economic deprivation. But often, there is a particular impetus for people to join together to tackle a long-standing problem. We asked a sample of 125 regeneration charities if there was a particular event or cause that led to the charity being established.

86% of the sample (107 charities) said that there had been a specific reason or reasons that had led to them deciding to apply to register as a charity.

Of these, 39 cited availability of funding as the prime motivator. 32 of these had become aware of specific sources of funding available to improve their area

(for example, SRB or government funding); while 7 had registered primarily to become eligible for the tax benefits or status of a registered charity.

27 charities had been established in response to a specific event or situation in their community. Of these, 6 were set up after a one-off event (for example, the murder of a prostitute, or civil disturbances); while the remaining 21 were as the result of a long-term change in the economic climate of the area (for example, the closure of a significant employer in the area such as a mine or a hospital).

*“This was a coalfield area, and when it closed, the shops closed down and the area went downhill. A business partnership held a meeting and decided to do something in the form of a community forum.”*

- respondent to our survey

18 charities were established at the instigation of either an individual or group of individuals already

active in the community (eg a church group or business leaders).

*“...a meeting of like-minded people that grew organically...”*

- respondent to our survey

10 charities were created to be a focal point in order to encourage the community to get involved and

participate in the regeneration of an area.

## 2. Areas of activity

There is wide recognition that, to be effective, regeneration of an area should be holistic, capable of addressing a range of social, economic and environmental issues. To qualify for charitable status, therefore, charities registering under the regeneration charitable purpose should cover a broad spectrum of activity. We expect organisations adopting regeneration purposes to undertake three

or more areas of activity included in the framework established in 1999<sup>11</sup>. In practice, charities will be fulfilling these areas of activity in a wide variety of ways.

Our research included analysis of the areas of activity declared by regeneration charities.

### 2.1 Analysis of regeneration activity framework

The recognised regeneration purpose lists 12 areas of activity<sup>12</sup> that we identified as ways to carry out regeneration so that the requirements of charitable status are met. From this list, charities must adopt at least three areas of activity.

Our research found the most common areas of activity for regeneration charities as a whole are *to provide education and training for unemployed*

*people* (81%) followed by *relief of financial hardship* (72%) and *provision of recreational activities* (71%). The least common activities are *provision of housing* (28%) and *preservation of buildings* (28%). The percentages shown indicate the percentages of regeneration charities carrying out each activity.

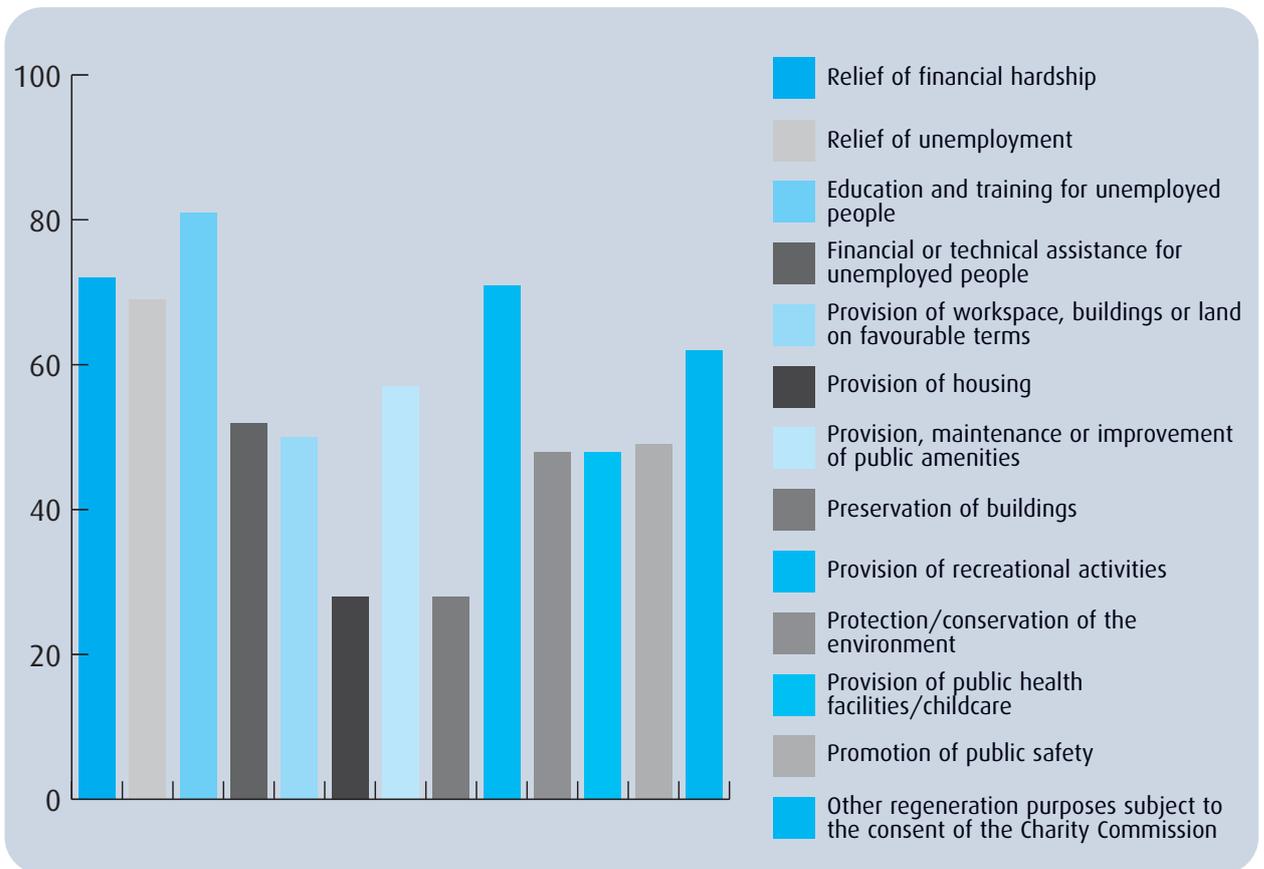
#### Regeneration charities - areas of activity

Activity of charity	% activity across regeneration charities
a Relief of financial hardship	72%
b Relief of unemployment	69%
c Education and training for unemployed people	81%
d Financial or technical assistance for unemployed people	52%
e Provision of workspace, buildings or land on favourable terms	50%
f Provision of housing	28%
g Provision, maintenance or improvement of public amenities	57%
h Preservation of buildings	28%
i Provision of recreational activities	71%
j Protection/conservation of the environment	48%
k Provision of public health facilities/childcare	48%
l Promotion of public safety and prevention of crime	49%
m Other regeneration purposes subject to the consent of the Charity Commission	62%

<sup>11</sup> Listed in *Annex A*.

<sup>12</sup> As we recognised that this list was not exhaustive, we also included a final option for charities to carry out other activities to regenerate with our written consent.

## Regeneration activities



## 2.2 Themes from areas of activity

On average, each regeneration charity carries out activities in eight of the above areas.

The most popular activities are people-based, for example providing *training for unemployed people* or *relief of financial hardship*.

For regeneration charities operating in **urban** areas, the most common activities were the *relief of financial hardship*, *education and training for unemployed people* and the *provision of recreational activities*. They are least likely to be involved in the *preservation of buildings*.

**Rural-based** charities are more likely to be established to focus on *relief of unemployment*, the *provision, maintenance or improvement of public amenities* and *education and training for unemployed people*. They are least likely to be involved in the *prevention of crime*.

Charities operating in **both urban and rural areas** most frequently select as their priorities the *relief of unemployment*, the *relief of financial hardship* and the *provision of education and training for unemployed people*. They are least likely to be involved in the *preservation of buildings*.

## 2.3 Faith groups

Six regeneration charities are specifically faith-based groups (4 Christian, 1 Islamic and 1 which is a multi-faith based network).

### Case study

The Faith Based Regeneration Network registered as a charity at the end of 2004 and aims to bring together people who identify with faith traditions and are involved in regeneration or who work to develop faith-based community organisations in areas of social and economic deprivation.

The charity aims include:

- encouraging the active engagement of faith groups in local regeneration initiatives and partnerships;
- building the capacity of faith groups by identifying, demonstrating and promoting good practice;
- identifying training and skills development needs of faith-based regeneration practitioners;
- demonstrating the benefit of cross-faith collaboration and co-operation; and
- providing an interface between the various levels of decision and policy making, from national strategic policy to grass roots action.

The charity has nine trustees who are all members of different areas of regeneration work and faith communities, including Baha'i, Buddhist, Christian, Hindu, Jain, Jewish, Muslim, Sikh and Zoroastrian faiths.

The diversity of the trustee board had a real positive impact when the charity was involved in setting up a community capacity building programme for a small Jain community in London. This group had difficulty assessing resources that would help them engage with the wider community. One of the trustees was a member of the Jain community and was able to relate to the difficulties and issues relevant to this area of society. They were therefore able to work together to design and implement a programme that was as effective as possible.

The Jain community then went on to make a successful application to the Faith Communities Capacity Building Fund for further regeneration work in their local area.

Establishing a diverse trustee board ensures the organisation is governed by people who are able to better serve the community they represent, allowing the charity to plan and implement its programmes in a way that is sensitive to the needs of people who benefit from the charity and is in tune with their values and aspirations.



## 2.4 Wider charitable activities

### 2.4.1 Other activities

Many regeneration charities have either adapted the standard regeneration objects or included other charitable objects to suit their beneficial area's own

unique circumstances and the long-term aims of the charity. Below are some examples:

#### Charities operating overseas

*"The provision, maintenance or improvement of basic amenities such as power, safe water and sanitation"<sup>13</sup> – within regeneration objects*

*"The provision of financial and other assistance for the preservation of buildings or sites of historic, cultural, archaeological or architectural importance"<sup>14</sup> – within regeneration objects*

*"The maintenance, improvement or provision of public amenities in particular by the provision of equipment for better sanitation, clean water, shelter, lighting and the construction and maintenance of access to various areas of the project and within the communities"<sup>15</sup> – within regeneration objects*

*"The provision of basic facilities and equipment for fishing (including boats and nets), which is the key source of employment along coastal regions most affected by the tsunami disaster"<sup>16</sup> – within regeneration objects*

*"To promote religious and racial harmony for the public benefit between Muslims and non-Muslims throughout the world"<sup>17</sup> – alongside regeneration objects*

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<sup>13</sup> 3rd Eye Trust Limited, 1111231.

<sup>14</sup> Balkans Peace Park Project, 1105447.

<sup>15</sup> Eco-Paradise Trust, 1115073.

<sup>16</sup> Tsunami Regeneration and Housing Trust (UK), 1107822.

<sup>17</sup> El-Hassan Trust, 1096004.

## Charities building communities and connecting people

*"The promotion of equality and diversity for the benefit of the public by promoting the elimination of discrimination on grounds of race, religion, disability or ethnic origin by raising awareness and understanding of the background, qualities and needs of individuals living in and organisations and groups operating in the area of benefit and by promoting attitudes, customs and practices in favour of equality..."<sup>18</sup> – within regeneration objects*

*"...the promotion of public safety and the prevention of crime including in particular fostering anti-social behaviour measures and preserving public order through the provision of services directed towards mediation and conciliation between people, organisations and groups who are involved in disputes or interpersonal conflicts where that dispute or conflicts results from or may lead to acts of nuisance, vandalism, racial abuse or breach of the peace..."<sup>19</sup> – within regeneration objects*

*"The promotion of social cohesion between multi ethnic, cultural and faith communities"<sup>20</sup> – within regeneration objects*

*"To provide advice, information and assistance in relation to citizenship, so as to develop the capacity and potential of individuals as members of society and that their conditions of life may be improved..."<sup>21</sup> – within regeneration objects*

*"...The observance and maintenance of human rights in accordance with the rule of law...prevention of crime including any form of terrorism"<sup>22</sup> – alongside regeneration objects*

*"The promotion of good citizenship and harmony within the community between persons of different ethnic, cultural or age backgrounds and between people with a disability and other persons"<sup>23</sup> – alongside regeneration objects*

*"Acting as a focus of community opinion within the area of benefit to ensure that the economic development and regeneration of that area is effectively balanced to the particular requirements of the community relative to long-term economic growth, increased levels of employment, the environment, housing and provision of amenities..."<sup>24</sup> – alongside regeneration objects*

<sup>18</sup> Brierfield Action in the Community, 1112377.

<sup>19</sup> Genesis Community Foundation Limited, 1109918.

<sup>20</sup> Otley Road and Undercliffe Community Works, 1109010.

<sup>21</sup> St Mark's Community and Enterprise Centre, 1097188.

<sup>22</sup> Muslim Women Society for the Future, 1108900.

<sup>23</sup> East Foundation Limited, 1112995.

<sup>24</sup> The Moss Side and Hulme Community Development Trust, 1093592.

## Charities operating with environmental purposes

*The provision of sustainable transport measures for public benefit...*<sup>25</sup> – within regeneration objects

*"The protection or conservation of the environment and in particular the promotion of renewable energy and energy efficiency..."*<sup>26</sup> – within regeneration objects

*"The protection or conservation of the environment, in particular but not exclusively by promoting the development and expansion of sustainable waste management practices amongst businesses and other organisations in the community..."*<sup>27</sup> – within regeneration objects

*"...such approved objects (as defined by Regulation 33 of the Landfill Tax Regulations 1996 or any amendment thereto) as are exclusively charitable and are in furtherance of any of the preceding objects..."*<sup>28</sup> – within regeneration objects

*"The preservation and care of buildings or sites of historical or architectural importance including suitable use of and public access to heritage assets..."*<sup>29</sup> – within regeneration objects

*The advancement of the education of the public in particular in the wildlife, history, archaeology, art and architecture of the area of benefit...the conservation of endangered species and preservation of sites or buildings of historical, archaeological or architectural importance for the benefit of the public..."*<sup>30</sup> – alongside regeneration objects

*"The advancement of education in sustainable development principles in land and estate management and use, sustainable methods of agriculture, horticulture, silviculture and organic farming ..."*<sup>31</sup> – alongside regeneration objects

Other purposes charities have been established to undertake alongside regeneration activities include, for example, the promotion of sport, the protection

and preservation of good health, promotion of the efficiency and effectiveness of voluntary sector organisations and even animal welfare.

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<sup>25</sup> Allerton Bywater Community Partnership, 1107132.

<sup>26</sup> Awel Aman Tawe Cyf, 1114492.

<sup>27</sup> Elephant Jobs Limited, 1112662.

<sup>28</sup> North Doncaster Development Trust, 1099954.

<sup>29</sup> Norwich Heritage Economic and Regeneration Trust, 1109662.

<sup>30</sup> Tale Valley Trust, 1079582.

<sup>31</sup> The Bulmer Foundation, 1093558.

## 2.4.2 Community capacity building

37 charities (14% ) are involved in community capacity building<sup>32</sup> alongside regeneration. This type of charity:

- provides opportunities for people to learn through experience - opportunities that would not otherwise be available to them; and
- involves people in collective effort so that they gain confidence in their own abilities and their ability to influence decisions that affect them.

More than half of charities<sup>33</sup> involved in community capacity building operate in urban areas alone and mainly provide education and training for unemployed people and recreational activities under the regeneration purpose.

## 2.4.3 Wider general charitable objects

32 regeneration charities (12%) include in their stated objects 'general charitable purposes' in addition to being able to undertake regeneration activities. Charities that include this are capable of undertaking any activity that is charitable in law.

We found that the most popular activity undertaken by charities with general charitable purposes was to provide education and training for unemployed people.

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<sup>32</sup> As part of our review of the Register, we also recognised community capacity building as a charitable purpose in its own right in 2000. The model objects for this are: *"to develop the capacity and skills of the members of the socially and economically [socially] disadvantaged community of x in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society"*.

<sup>33</sup> Of the 37 involved in community capacity building, 20 operate in urban areas.

## 3. Profile of regeneration charities

### 3.1 Types of governing document

The clear majority of regeneration charities (87%) are charitable companies limited by guarantee, governed by Memoranda and Articles of Association. This reflects the size and complexity of the majority of these charities. Across the Register as a whole, only 15% of charities are companies.

The remainder (13%) were unincorporated charities<sup>34</sup>.

#### Regeneration charities - types of governing document

Type of governing document	Number	% of regeneration charities
Memorandum and Articles of Association	230	86.8%
Scheme	1	0.4%
Trust Deed	4	1.5%
Constitution	20	7.5%
Declaration of Trust	10	3.8%
<b>Total</b>	<b>265</b>	<b>100%</b>

### 3.2 Frontline or co-ordinators?

A regeneration charity may:

- carry out frontline activities, directly undertaking the different aspects of the regeneration project itself;
- act as a co-ordinator, engaging other agencies to deliver the regeneration project; or

- do a combination of frontline and co-ordination work.

Our research found that the majority of charities in our sample (62%) do both. The remainder are almost equally split between providing frontline activities (18%) and co-ordinating others' activities (17%).

*"In partnership with other organisations, STEP seeks to bring about social and economic regeneration in the area by providing equal opportunities in employment, education, training and enterprise for local people, thereby assisting in the development of a viable and sustainable local economy"*

- Stocksbridge Training and Enterprise Partnership, description of charity's aims on SIR

<sup>34</sup> Charities are able to select from a number of different legal forms. For an explanation of the various types of governing document, and the sorts of organisations they are appropriate for, please see our publication *Registering as a Charity* (CC21).

Four charities described themselves as neither frontline nor co-ordinating organisations. Examples given of their activities included providing funding

overseas to enable regeneration to take place or offering network services, linking people together to share good practice.

### 3.3 Profile of trustees

#### 3.3.1 Number of trustees

In practice, the number of trustees will vary from charity to charity and will depend on the requirements set out in the governing document and the size and complexity of the charity's affairs.

247 regeneration charities had provided details of their trustees<sup>35</sup>. Perhaps unsurprisingly, regeneration charities tend to have more trustees compared with average figures across the Register - reflecting both

their size and the need for the trustee body to be as fully representative as possible of the community they serve. The average number of trustees across the Register as a whole for charities with incomes below £250,000 is five, while regeneration charities are more likely to have nine trustees. The average number of trustees for charities with incomes above £250,000 across the Register is ten, while regeneration charities are more likely to have 11.

#### Numbers of trustees in regeneration charities

Number of trustees	Number of charities
1 to 5	80
6 to 10	97
11 to 15	58
16 to 20	10
21 to 25	1
26 to 30	0
31 to 35	1
Details not yet provided	18
<b>Total</b>	<b>265</b>

<sup>35</sup> 18 charities in the sample were either not yet expected to submit or had not provided these details.

### 3.3.2 Recruitment and induction practices

Most charities will need to recruit new trustees under the terms of the governing document. Appointing new trustees to an established board is an excellent opportunity to evaluate and improve the charity's effectiveness.

In our earlier research, published in *Start as you mean to go on*<sup>36</sup>, we looked in detail at recruitment practices and the tools used to assist newly recruited trustees in charities.

At that time, we found that an effective board is more likely to consist of people with a diverse mix of skills, backgrounds and experiences. When looking at charities across the Register, we found that 17% of charities undertook a skills audit of trustees before recruitment. However, our latest research found that 63% of regeneration charities undertake a skills audit of existing trustees prior to recruitment, in order to create boards that are comprised of people with the key skills they need to ensure it operates effectively.

Reviewing the diversity of the trustee board was the most popular recruitment practice among regeneration charities, with 86% of the charities surveyed confirming they did this, ensuring the organisation represents the community the charity is established to help.

Another striking comparison is that our earlier research found only 23% of charities across the Register made checks on the eligibility of trustees and for regeneration charities, this figure is 73%. This marked difference may reflect a greater awareness of the need to ensure trustees are eligible<sup>37</sup> to act in that capacity since our earlier research was carried out.

Our research this time also found many of the charities we surveyed offer training for new trustees. For example 27% of charities provided financial training including budgeting, accounting and planning. 23% offer training in strategic and business planning.

### 3.3.3 Difficulty recruiting trustees

In our earlier research on trustee recruitment<sup>38</sup>, we found that 39% of charities sometimes had difficulty recruiting trustees and 11% always had difficulty. This meant that half of all charities had difficulties filling vacancies, citing a shortage of applicants and difficulties finding people willing to make the time commitment as some of the issues preventing people from applying to become trustees.

Regeneration charities are slightly less likely to have difficulty, however overall 45% do. Of these, 28% sometimes have difficulty recruiting trustees, and 17% say they always do. This may reflect the challenge of filling a larger than average trustee board, or of finding trustees that represent the community in which the charity is based.

### 3.3.4 Users on board<sup>39</sup>

Many charities involve people who may be eligible to benefit directly from the charity's services in the effort to improve services. User involvement might include:

- informal discussions with users about the charity's services;
- regular user consultation groups and questionnaires on services provided;

- formal or informal input by users through sub-committees or user groups;

It may also include representation of users on the board of trustees allowing them direct influence on the charity's services. Our research found that just over 80%<sup>40</sup> of the sample have beneficiaries on the trustee board.

<sup>36</sup> *Start as you mean to go on: Trustee Recruitment and Induction Report (RS10)*.

<sup>37</sup> Section 72 of the Charities Act 1993 sets out the disqualification requirements of those not able to serve as trustee.

<sup>38</sup> *Start as you mean to go on: Trustee Recruitment and Induction Report (RS10)*.

<sup>39</sup> A list of some of the many ways on how to involve users can be found in our guidance *Users on Board: Beneficiaries who become trustees (CC24)*.

<sup>40</sup> Our survey of 125 charities found 46% had some involvement, 11% had most users involved as trustees and 24% said all trustees were also users of the charities services.

## Case study

Plymouth Community Partnership Limited (PCP) is a large<sup>41</sup> charity providing support and assistance to community groups in Plymouth. Services offered include:



- provision of a range of training courses
- provision of capacity building advice and support including funding and start up
- provision of information through regular newsletters and through a resource centre
- provision of a range of community engagement support to community representatives
- community accountancy and payroll services.



The charity encourages community groups to influence policy making and planning by promoting their representation on key strategic decision-making bodies, and supporting community representatives so that they are able to participate effectively. It does this by facilitating the nomination and election of community representatives on each partnership body.

When a vacancy occurs papers are sent out to the charity's members showing what work the partnership body carries out and encouraging nominations. Nominees have an opportunity to provide information about themselves and why they would be a good representative. This information is then circulated to all member groups along with voting papers. When these are returned the votes are counted and everyone is informed of the outcome.

PCP subsequently offer a buddying service to support the community representatives and it also offers training, including equal opportunities training and co-support at any meetings as needed.

The charity also runs meetings which it calls 'Question Time' attended by member groups, representatives etc. so that they can discuss their work and raise any issues as needed.

Allowing beneficiaries to have input in this way demonstrates that the charity is a responsive organisation, committed to delivering community-focused services that involve the community and reflect the needs of the people they serve.

<sup>41</sup> We have described charities as 'small' or 'large' according to their income band (see the table in *Annex B* for more information). This is for our research purposes only and in no way reflects the standing of the charity concerned or makes a judgement on its impact in its own community.

### 3.3.5 Conflicts of interest

Trustees who are also beneficiaries of the charity's services are potentially in a position of conflicting interests because of their dual involvement. However, 83% of charities in our survey said that no issues had arisen as a result of beneficiaries

appointed as trustees. Of those that did cite issues, some referred to conflicts of interest and encouragingly, where this was the case, the charity was actively managing this.

## 3.4 Profile of employees and volunteers

Our research found that the majority (44%) of regeneration charities across the sample have between one and nine employees. Perhaps unsurprisingly, smaller charities are less likely to have

more than 20 employees<sup>42</sup> and no smaller charities had more than 30 employees. The majority of larger charities<sup>43</sup> had between 10 and 19 employees.

### Regeneration charities and employees

Number of employees	% with income £249,999 or less	% with income £250,000+	Total %
0	28	4	18
1 - 9	60	21	44
10 - 19	11	29	18
20 - 29	1	6	3
30 - 49	-	6	2
50 - 99	-	17	6
100+	-	17	8
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Similarly, the majority of charities in the sample (30%) had between one and nine volunteers. However, our research found that larger charities were less likely to have volunteers<sup>44</sup>.

<sup>42</sup> 1% of charities with annual incomes less than £250,000 had between 20-29 employees.

<sup>43</sup> 29%.

<sup>44</sup> 11% of charities with annual incomes less than £250,000 and 27% of charities with annual incomes more than £250,000 had no volunteers.

## Regeneration charities and volunteers

Number of volunteers	% with income £249,999 or less	% with income £250,000+	Total %
0	11	27	18
1 - 9	36	23	30
10 - 19	20	23	22
20 - 29	17	6	13
30 - 49	4	10	6
50 - 99	8	8	8
100+	4	2	3
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

### 3.5 Profile of charity property

Just over three-quarters of the sample<sup>45</sup> said that they have property that they use to run the administration of the charity. Charities with an income of over £250,000 are more likely to have an administrative centre (83%), but even for charities with an income less than this, 71% have a property from which the charity is run.

By contrast, only 42% of charities have land or buildings that are used directly for regeneration activities (such as a community garden). Larger charities are more likely to hold such property (58% compared to 31% of those with an income of under £250,000).

No charities with overseas operations had land or buildings for administration or for direct use in regeneration.

Sole rental followed by outright sole ownership were the most popular forms of property holding for those charities that have property that they use for administrative purposes. The position was reversed for those charities that have land or buildings that are used directly for regeneration activities.

Few regeneration charities have free (donated) space available to them: only 7 out of 95 charities that have property for running the administration of the charity and 2 out of 53 charities that have land/buildings that are used for directly for regeneration purposes said they occupy free (donated) space.

<sup>45</sup> 76% responding to our telephone survey.

### 3.6 Community consultation

Key to successful regeneration of an area is to involve the community as a whole, securing 'buy-in' to the improvements and changes that are made<sup>46</sup>. We therefore asked respondents to our telephone survey

about the groups they find it hard to engage with, the methods they use, what works well and what they feel would help them to reach these groups better.

#### Regeneration charities and hard-to-reach groups

Hard-to-reach groups	Number of charities	% of samples selecting each option <sup>47</sup>
No problems/can't say	30	24
BME	31	25
Young people	35	28
Old people	7	6
Faith groups	6	5
Unemployed	15	12
Disabled/sick	6	5
Socially or geographically isolated	9	7
Other	15	12

#### What group or groups in the area of benefit do regeneration charities find it hardest to reach?

The two groups that charities most commonly found it problematical to engage with were young people (23%) and BME groups (20%).

A small number of charities mentioned other sections of their community with which they found it hard to engage, including carers, the middle-aged group,

farmers, single parents and 'apathetic' or disaffected individuals.

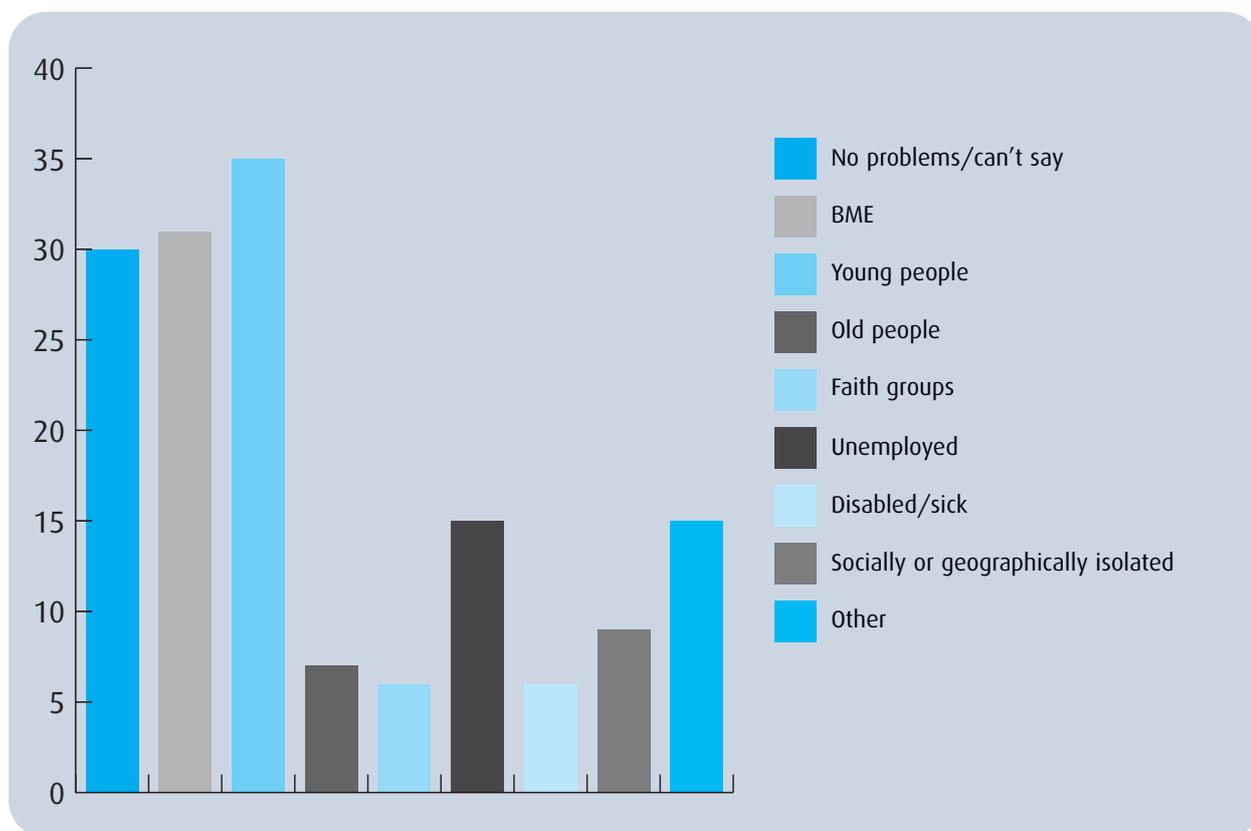
30 charities we spoke to (nearly a quarter of the sample<sup>48</sup>) said that they had no difficulties engaging with any groups in their beneficial area.

<sup>46</sup> Some examples include "Community involvement in neighbourhood regeneration: stairway to heaven or road to nowhere?" (2003), see <http://www.bristol.ac.uk/sps/cnrpaperspdf/cnr13pap.pdf>; and "Why involve the community?", The Joseph Rowntree Foundation, 1999.

<sup>47</sup> Totals greater than 100% as charities were able to select more than one option.

<sup>48</sup> 24%.

## Regeneration charities and hard-to-reach groups



### What methods of consultation are used by regeneration charities?

Virtually all charities in the sample attempt to consult with their beneficiaries in one or more ways<sup>49</sup>. The most common methods used were:

- Holding focus groups or conducting surveys and other forms of research (83%);
- Publishing news, for example through newsletters, to let them know what's happening (80%);
- Establishing forums or working groups (76%);
- Inviting all beneficiaries to the AGM (75%);
- Holding open meetings with beneficiaries (75%); and
- Having a telephone helpline or holding open days for people to raise queries (56%).

Other methods charities mentioned included advertising through the Local Authority, advertising a general telephone number that beneficiaries can ring; having a website; receiving communication by email; having a drop-in office and holding face-to-face meetings with members of the community.

<sup>49</sup> 2% of charities gave no answer or did not state any methods of consultation.

### *Particular methods charities told us have worked well for them in contacting hard-to-reach groups*

Key to engaging effectively with the community as a whole, and specifically hard-to-reach groups, appears to be considering the needs of the classes of people the charity wishes to contact, identifying the services actually wanted and making those services more accessible.

Those charities that engage most successfully typically used as wide a combination of methods as possible and also tailored communication to specific target groups.

Another emerging theme from our research is that, although not always possible for every charity, having a physical location in the community – either

owning or leasing a property - makes it easier to engage with various groups, as it provides a focal point for the charity, allowing it to have a physical, visible presence in the community.

41 out of 95 charities (43% of response) responding that they had problems engaging with one or more groups in their community also said that they didn't know or couldn't think of anything else that would help reach those groups. We therefore include the following lists of ways other charities have used to give people suggestions that have worked for other charities; encourage partnership-working and exchanges of ideas.

#### **Delivering effectively**

- *“Conducting outreach work”;*
- *“Open door policy”;*
- *“Maintaining ongoing communication through frequent contact and meetings”;*
- *“Extending hours of working so available to a wider range of people”;*
- *“Running training programmes people actually want”;*
- *“Repeating successful events; discontinuing the unsuccessful”;*
- *“One-stop shop”;*
- *“Providing public access to computers”;*
- *“Providing specific services requested by target groups”;*
- *“Providing advice online”;*
- *“Using external consultants to bring expertise”;*
- *“Use local steering groups and consultations to deliver what's really needed”.*

## Communicating effectively

- *“Word of mouth advertising, for example in local cafes”;*
- *“Trustees and staff being available for face-to-face meetings with beneficiaries”;*
- *“Distributing leaflets”;*
- *“One-to-one conversations with community leaders, faith group elders etc”;*
- *“Running a local radio station”;*
- *“Using posters and mail shots”;*
- *“Establishing public information points”;*
- *“Newsletters”;*
- *“Being able to communicate with people in their first language”;*
- *“Engaging with the local newspaper to secure editorial advertising”.*

## Encouraging participation

- *“Having a community building as a base/focal point”;*
- *“Annual or one-off festivals, fun days or fun nights”;*
- *“Christmas party”;*
- *“Heritage programmes, where people are encouraged to tell the history of their origins”;*
- *“Holding concerts with refreshments from different countries”;*
- *“Religious-based activities and food”;*
- *“Taster sessions”;*
- *“Ensuring make-up of staff is representative of the community”;*
- *“Running free events for young people”;*
- *“Time credit scheme (community currency for volunteering – can be used to ‘purchase’ charity’s other services)”;*
- *“(to contact the disaffected) – walk the streets and try to get them to come to events by personal contact”;*
- *“Promoting a friendly atmosphere”;*
- *“Consulting on areas of specific interest, eg ask young people about design of website”;*
- *“Running environmental projects”.*

### **Targeting specific sections of the community**

- *“Getting to know adults through children’s activities”;*
- *“Allowing young people to create their own ideas”;*
- *“Have a dedicated youth worker”;*
- *“Transport initiatives for geographically isolated regions”;*
- *“Encouraging local schools to signpost single parents to the charity”;*
- *“Visiting nursing homes, lunch clubs etc”;*
- *“Having junior members and encouraging them to contribute ideas”;*
- *“Running youth groups”;*
- *“Visiting farmers’ markets”;*
- *“Visiting sections of the community door-to-door”;*
- *“Establishing forums specific to groups eg tenants’ forum, youth forum”;*
- *“Establishing contacts with the local mosque”;*
- *“Visiting schools”;*
- *“Attending local BME network”.*

### **Partnership working**

- *“Working in partnership with other groups”;*
- *“Liaising with existing agencies or local authority”;*
- *“Working with the local Job Centre Plus”;*
- *“Working with the local college/community college”.*

## Case study

The Haulgh Community Partnership is a small<sup>50</sup> charity set up for the promotion of urban regeneration for the public benefit in areas of social and economic deprivation, primarily East Bolton (Greater Manchester) and particularly those living or working in Haulgh. Its main areas of activity are:

- relieving poverty;
- promoting public safety and prevention of crime;
- maintaining, improving or providing public amenities;
- providing public health facilities and promoting good health;
- advancing education, training and retraining, particularly among unemployed people, and providing unemployed people with work experience;
- protection or conservation of the environment;
- providing recreational facilities for the public.

As part of its work to tackle social exclusion, particularly amongst unemployed people and those living in bedsits, the charity contacted local landlords and asked them to deliver invitations to the bedsit tenants, to invite them to be interviewed about their views on living in the area and how things might be improved.

The interviews were carried out by two of the bedsit tenants and this allowed the charity to objectively gather important information from people who otherwise might have been unable to offer their opinions on various aspects of their living conditions. Questions included, for example, what they enjoy about living in their area, if they have good access to local amenities and how they feel they might be able to become more involved in influencing change.

As a result the charity was able to have an effective dialogue with this group of people. It also raised the charity's profile so that it was seen as an accessible resource to support this group of people if they need to raise issues about their living accommodation to the landlords concerned. As part of this process the people involved gained friends, felt less isolated and were able to collectively make a valuable contribution to help change their individual circumstances.

This is an example of the innovative ways regeneration charities are trying to involve those living in the community that may be considered hard-to-reach and how they are obtaining valuable feedback on how funds can be directed to improve peoples' lives, directly from the people who are entitled to benefit from the charity's funds.

<sup>50</sup> We have described charities as 'small' or 'large' according to their income band (see the table in *Annex B* for more information). This is for our research purposes only and in no way reflects the standing of the charity concerned or makes a judgement on its impact in its own community.

### *What would help include hard-to-reach groups?*

We asked charities what would help them to reach the hard-to-reach groups in their community. Interestingly, most of the ideas mentioned appear to be within the charity's remit - as opposed to, for example, a 'wish list' for local or national government. Perhaps inevitably, the main issue emerged as lack of resources.

- 14 out of 95 responding said that having more resources (including staff) would help.
- 3 out of 95 responding said that having more volunteers would help.

### **Other ideas included:**

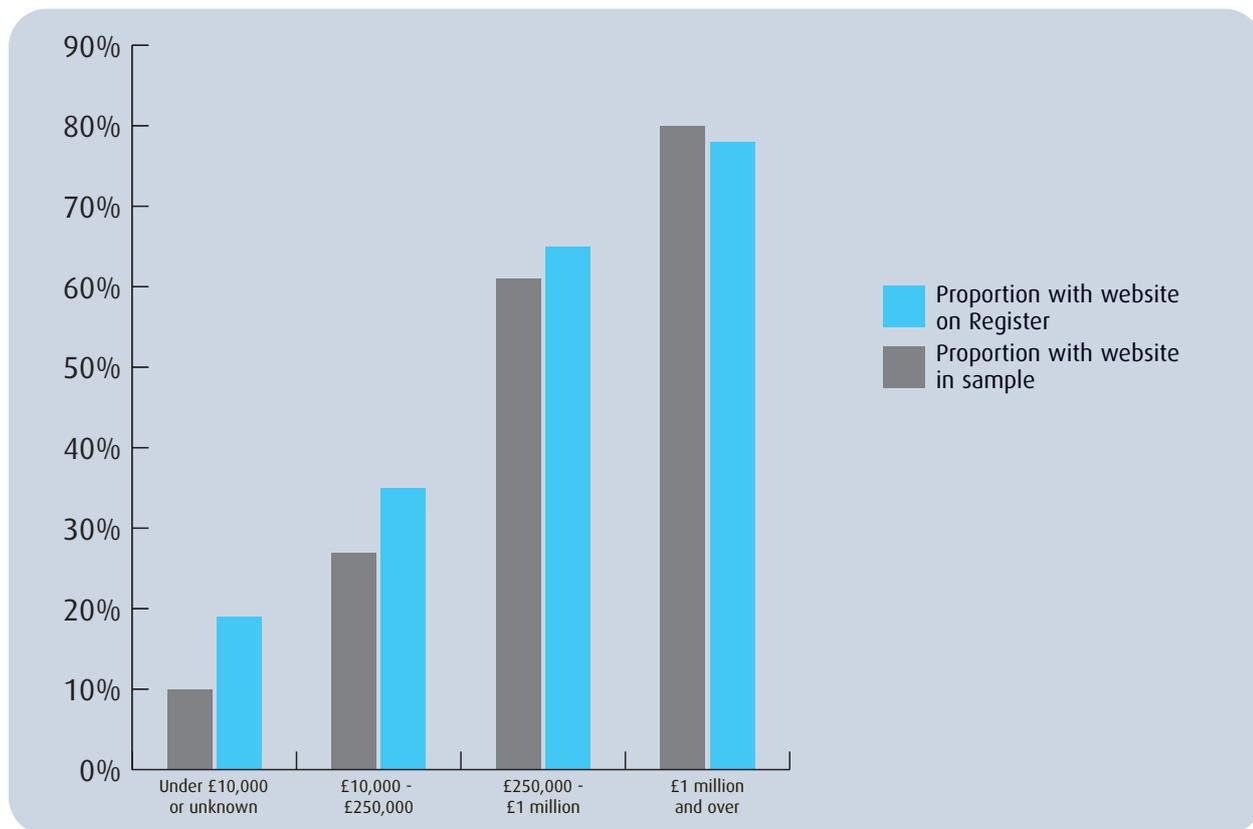
- *"Recruiting trustees representative of hard-to-reach groups";*
- *"Accepting that you cannot force people to be included, while making it accessible if they want to";*
- *"Improving publicity, market research";*
- *"Better use of website, email and our newsletter";*
- *"Offering events which have a 'pay-off', like offering a voucher";*
- *"Finding sources of reliable, long-term funding";*
- *"Building a good reputation at a local level";*
- *"Gaining support from specialist disability charities";*
- *"Having a local community radio station";*
- *"Better partnership working with other community and public sector groups";*
- *"To be creative and innovative and work with expert partners";*
- *"Hold street meetings";*
- *"Run specialist events to attract specific groups";*
- *"Improving communication strategy";*
- *"Holding more open days";*
- *"Have information translated into different languages".*

### 3.7 Access to web

As several charities we surveyed mentioned the value of electronic communication in engaging with their communities, we looked at how many regeneration charities had a website. We found that nearly half (45%) do<sup>51</sup>.

Looking at the relationship between the charities with websites and their income ranges, we found that, perhaps as expected, the proportion of charities with websites increased in line with size of income. Generally, the incidence of charities with websites is comparable with the trend across the Register as a whole.

Proportion of regeneration charities with a website compared with charities across the Register



<sup>51</sup> This figure is the number of charities notifying the Commission of their websites.

Regeneration charities and websites compared to the Register as a whole

Income band	Regeneration charities with website	Total regeneration charities	Charities on Register with website	Charities on Register	Proportion with website on Register	Proportion of regeneration charities with website
Under £10,000 or unknown	11	58	9170	95091	10%	19%
£10,000 - £250,000	39	110	16150	59659	27%	35%
£250,000 - £1 million	33	51	5112	8375	61%	65%
£1 million and over	36	46	4047	5090	80%	78%
<b>Total</b>	<b>119</b>	<b>265</b>	<b>34479</b>	<b>168215</b>	<b>21%</b>	<b>45%</b>

## 4. Emerging trends

### 4.1 Regulation

The majority of charities<sup>52</sup> are required to register with, and are subsequently regulated by, the Charity Commission for England and Wales. Some charities are also subject to additional regulation or monitoring of their funding, whether because of their constitution, the type of activity they are involved in or the funding they attract.

The primary role of the Charity Commission is the regulation of charities in England and Wales on behalf of those who give to and benefit from

charities, and on behalf of wider society. Some charities will be subject to additional regulation, for example, charitable companies are also subject to regulation by Companies House.

We asked the charities in our sample if they fall within the jurisdiction of regulators other than the Charity Commission. We found that almost two-thirds of charities<sup>53</sup> need to meet the requirements of funding organisations and 61% are regulated by other generic regulators including Companies House.

#### Regeneration charities and other types of regulation

Regulation	Total	% <sup>54</sup>
Other generic regulators, including Companies House	77	61%
Regulators or Inspectors of sub-sectors (for example, the Housing Corporation and the Commission for Social Care Inspection)	17	14%
Funding organisations (statutory, public or private sector)	80	64%
Others	5	4%
No other regulation known of	15	12%
Don't know	2	2%
Not stated	1	1%

<sup>52</sup> In general, all charities must register. Some others are exempt or excepted from registration. Those that are classed as exempt do not fall under our supervision. For more details, see *Annex C* or our booklet *Registering as a Charity* (CC21).

<sup>53</sup> 64%.

<sup>54</sup> Some charities will fall under the jurisdiction of more than one regulator.

### 4.1.1 Evidence of regulatory compliance - submitting annual information to the Commission

At the time of our research, we found that 90% of regeneration charities had submitted their Annual Return form compared with 82% across the Register as a whole.

### 4.1.2 Most common case issues

We found that over a two-year period, 181 regeneration charities had contacted the Commission for advice on 50 different issues.

Our publication *The Hallmarks of an Effective Charity* emphasises the need for trustees of all charities to regularly review the objects of the charity to ensure they are up to date and relevant, and we found this to be one of the main reasons that regeneration charities had contacted the Commission for advice.

The table below focuses on the top three issues for regeneration charities between 2003 and 2005:

#### Regeneration charities and common case issues

Issue description	Number of occurrences
Alteration of governing document (objects)	17
Alteration of governing document (not objects)	50
General request for advice/information	15

## 4.2 Impact, achievement and long-term aims

### 4.2.1 Impact

Most charities are keen to consider ways to measure their effectiveness, justifying their performance to those who benefit and to stakeholders. Others may need to do this specifically as part of the requirements of grant providers or regulatory bodies. As part of our survey we asked regeneration charities what measures they have in place to assess how well the charity is doing and about the main achievements and long-term aims.

We found that:

- 84% of the charities surveyed provide a number of outputs for grant providers as assessment of their effectiveness.

- 78% of the sample use stakeholder feedback as a method to measure impact.
- 40% perform some form of social audit allowing a social auditor to ask probing questions to help the charity reflect on the effectiveness of its operations.
- 17% of charities use PQASSO<sup>55</sup>.

A few charities also cited other methods, such as evaluations on every project (2%); annual, quarterly or monthly reviews (3%). Two respondents spoke of the need for a new quality assurance or impact measurement tool drawn up specifically for regeneration charities to use.

<sup>55</sup> PQASSO is Charities Evaluation Services' practical quality assurance system for small organisations, or for projects within larger organisations. It is designed specifically for voluntary sector organisations and provides a step-by-step approach to working out what an organisation is doing well and what could be improved. See *Annex D* for contact details.

## 4.2.2 Achievements

Our survey found many examples of recent achievements provided by regeneration charities.

Some of the achievements focused on direct improvements to people:

- *"....matching people to job vacancies" and "....offering subsidised driving lessons to the BME community.... inability to drive is a barrier to employment"*<sup>56</sup>
- *"We run during the school holidays a project for the most deprived local children; it gets them out into the green spaces"*<sup>57</sup>
- *"Providing over 150 animals for village groups; programme awareness for hygiene and diet; provision of water storage tanks"*<sup>58</sup>

## 4.2.3 Long-term aims

Our survey asked charities to describe the long-term aims of the organisation. The majority of responses were high level, aspirational aims for example:

- *"eradication of poverty"*<sup>61</sup>
- *"creating communities to be proud of"*<sup>62</sup>
- *"to create a vibrant community in which people are proud to live and work"*
- *"to create a proud and prosperous neighbourhood"*

Many other achievements related to improving the community infrastructure in some way:

- *"Getting a wind farm"*<sup>59</sup>
- *"The work done on Golden Park.....making a nature trail for all..."*
- *"....we have updated the council housing with new double glazing windows and doors/new central heating/weatherproofing/kitchens and bathrooms...we have created 30 local employment opportunities..."*<sup>60</sup>

Others provided more practical examples of the work they hope to do:

- *"To get the Community Centre built"*
- *"Community health resource and training"*
- *"....to purchase a new water pump for a charities' farm in Romania"*

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<sup>56</sup> Attercliffe and Darnall Community Enterprises, 1083147.

<sup>57</sup> Gleadless Valley Community Forum, 1100770.

<sup>58</sup> Sumba Villages, 1107787.

<sup>59</sup> Where examples are not credited to individual charities in this report, this is because the charity has asked to remain anonymous.

<sup>60</sup> Berrybridge Housing Limited registered number, 1095347.

<sup>61</sup> Halifax Opportunities Trust, 1086183.

<sup>62</sup> Shoreline Housing Partnership Limited, 1107876.

### 4.3 Risk

We asked our sample of regeneration charities about the main risks they face.<sup>63</sup>

By far the most common answer was funding, with 79% overall reporting that this was one of their main risks. Other risks cited were:

Regeneration charities' main risks

Risk	%
Funding	79
Employees	23
Volunteers	18
Government regulation	18
Management/trustees	17
Accommodation	12
Networks/partnerships	9
Members	6
Clients/users	6
Information technology (IT)	4
Apathy in the community	2

### 4.4 Funding

A key consideration for most charities is securing sufficient funds to fulfill the charity's objects and ensure its long-term survival. We therefore explored the role of funding in regeneration charities to discover any common trends.

From our survey, we found that attaining sustainability is clearly a particular concern for regeneration charities, many of which were initially set up to take advantage of short-term grants from, for example, European sources:

We saw above that regeneration charities consider funding as their main risk, so did further research to find out what the issues surrounding this were.

- "[part of our five year strategy is to]...reduce reliance on grant-funded income"<sup>64</sup>

- "[A key element of our medium to long-term strategy is]...to help sustain the many projects funded during the last 5 years - 2005/06 will be the final year of the main [funded] programme..."<sup>65</sup>

- "PDT will be seeking new funding streams as SRB comes to an end in March 2006"<sup>66</sup>

<sup>63</sup> Respondents could give more than one response to the questions on risk so the percentages will not add up to 100%.

<sup>64</sup> Stocksbridge Training and Enterprise Partnership, 1062058, from the SIR for 2005.

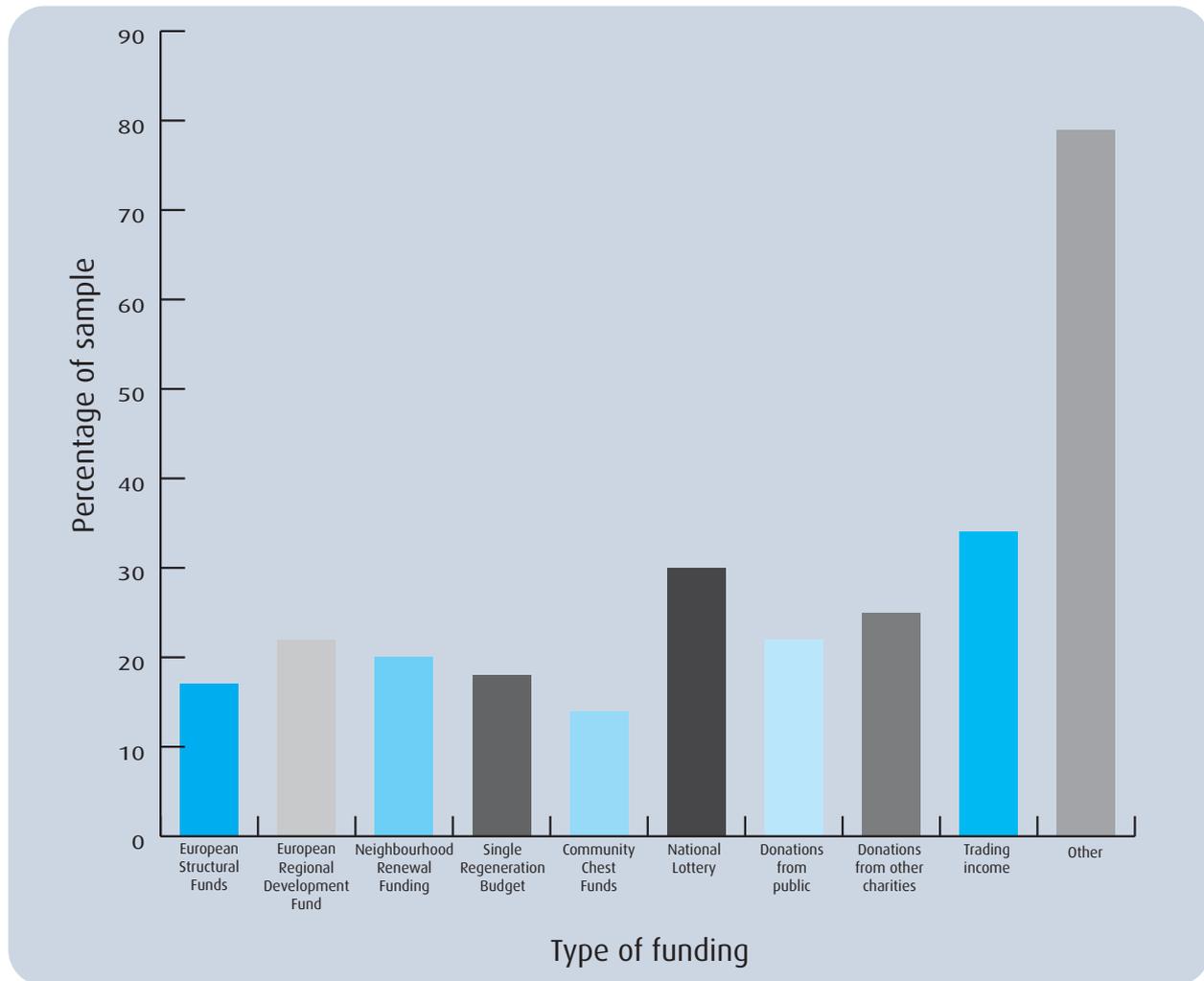
<sup>65</sup> Netherthorpe and Upperthorpe Community Alliance, 1077083, from the SIR for 2005.

<sup>66</sup> Paddington Development Trust, 1080883, from the SIR for 2005.

### Sources of funding

We asked the charities surveyed to select from a pick list of various sources of funding and indicate the source of any other funding<sup>67</sup>.

### Main/other sources of income



It is evident from the responses to this question that funding for regeneration charities comes from a wide variety of sources; no clear trend stood out.

79% of charities in our sample included 'other' sources either as a main or as a secondary source of

funding. 34% of these respondents cited receiving funding from national or local government. Other sources included private investment; private donations; rent and service charges; 'donations from the RAF'; commercial loans and 'churches'.

### Funding issues

Under half of charities (56 charities) in our sample said that funding issues had affected their charity's activities in a detrimental way, with lower income charities (below £250k) more likely to have had a negative experience. The main funding issues cited

by charities generally with negative experiences included not being able to deliver particular services because funds are not available (30 charities) and being unable to plan for the long-term because funding is only short-term (17 charities).

<sup>67</sup> Respondents could give more than one response to the questions on funding so the percentages will not add up to 100%.

## Case study

The Coalfields Regeneration Trust is a large<sup>68</sup> charity, and was the first regeneration charity to be registered in 1999 with the newly recognised regeneration purposes established by the Charity Commission.



The trust is principally involved in social regeneration seeking to build people's confidence and encourage them to actively participate in taking their communities forward, improving the quality of life for people in coalfield communities. It is also involved with coalfield regeneration and restoring prosperous and sustainable communities.



In its first five years the trust had awarded grants totalling over £75 million to 1300 initiatives. Grants are usually part of a complex funding package and have been awarded for regeneration in the following areas:

- Community Resources and asset building
- Lifelong learning
- Encouraging unemployed people into work and training
- Social enterprise and business

The trust has collaborated with English Partnerships to ensure that local people are connected to the major site developments on former coalfield sites. The charity has received positive feedback on this approach.

When we met with the charity as part of our Review Visits programme the trustees told us about the difficulties they face as a result of funding granted on a three-year cycle. The trustees found that many of the regeneration projects funded by the charity are not short-term, in fact some can take between 15 to 20 years to complete and this can create problems with various aspects of the charity's administration for example staffing contracts, which can only be given on a 3 year basis.

This particular charity strives to meet the challenge of securing additional funding by working in partnership with others. It also set up a trading company ensuring the flow of funds raised move from the trading subsidiary to the charity and not in the opposite direction.

<sup>68</sup> We have described charities as 'small', or 'large' according to their income band (see the table in *Annex B* for more information). This is for our research purposes only and in no way reflects the standing of the charity concerned or makes a judgement on its impact in its own community.

Charities also reported a variety of other ways in which their charity had been affected including having to find ways to become financially self-sustainable (12 charities) and being tied to outputs that are time consuming and costly to monitor (9 charities).

Other negative effects were given by 13 charities, and included a variety of issues, for example, having to cut back on IT and a lack of core funding which has resulted in an inability to respond to community development needs.

Our Review Visits teams carried out more in-depth qualitative research on funding issues through a series of short visits to regeneration charities in August and September 2006. They found that a recurring theme for this type of charity is the challenge of securing long-term sustainability. The end of established grants programmes such as SRB funding have reinforced to charities the danger of becoming grant-dependent and many charities are increasingly aware of the need to strive for a healthy mix of funding from a number of sources.

### Case study

ruralnet|uk is a large<sup>69</sup> rural regeneration charity, operating nationally to promote a living and working countryside by finding new ways to help rural communities improve and strengthen their local economies. The charity supports agencies working on the ground to alleviate disadvantage, and to enable social inclusion and social enterprise.

The Charity has joined with partners to deliver, through its trading subsidiary, an initiative called **net:gain**. The programme is intended to deliver support and strategic planning guidance to the voluntary sector through developing 'social franchises' within existing UK online centres.

These franchises will then run one year membership programmes to help any voluntary charitable organisation through a strategic planning approach to its ICT. The programme consists of a series of workshops, toolkits, a technical fair, access to Experts Online, membership benefits, promotional events, a reference guide and more. Although at present its primary focus is ICT, it could potentially be applied to other aspects of strategic planning, such as Human Resources or financial planning.

Not only does this initiative provide valuable resources for the Charity, via the trading subsidiary operating net:gain, it also provides a useful resource for other charities across the sector by encouraging the use of enterprising approaches to diversify income streams.



<sup>69</sup> We have described charities as 'small' or 'large' according to their income band (see the table in *Annex B* for more information). This is for our research purposes only and in no way reflects the standing of the charity concerned or makes a judgement on its impact in its own community.

Although Government continues to fund significantly regeneration and community development, periods of grants are more often than not for short periods, which make it difficult for charities to, for example, attract and retain professional employees within the sector.

Linked to this, many charities reported difficulties in both attracting funding, and once secured, with meeting their funders' expectations. One charity felt that sources of funding for regeneration, more than any other area of the sector, are least clear in terms of what is available and who is eligible to apply. Some sources of funding were reported to be difficult to access and very often, no feedback is given on failed applications, making it difficult to apply 'lessons learnt' to future bids.

Where funding has been awarded, some charities found problems meeting the differing expectations of funders. For example, different funders may require different business plans; and multiple funders of a single project may work to different financial year ends, making accounting problematical.

It was also reported that, in monitoring charities' results, some funders still focussed on outputs rather than outcomes and were not interested in wider measures of the charities' impact if these did not directly relate to the parts of the project they were funding.

One charity proposed that there should be some form of accreditation system tailored to regeneration activity which could help such charities demonstrate value for money.

Finally, with increasing interest in public service delivery by charities, some charities still cite difficulty in persuading funders to support core costs. This again does not help such charities work towards long-term sustainability. Another charity suggested that funders awarding developmental core costs should be linked to a charity's ability to deliver tangible, meaningful results.

## 4.5 Dissolution of regeneration charities

### 4.5.1 Removed charities

Six regeneration charities had been removed from the Register. Four of these charities had been removed because they had ceased to exist and two had transferred their assets to a newly formed incorporated structure (resulting in the old unincorporated charity being dissolved and removed from the Register). This reflects the same trend for removals across the Register as a whole.

### 4.5.2 Strategies in place for existing charities for dissolution

Our guidance states that, as an area is regenerated, the charity should withdraw its services and activities from that area, because it has, in effect, served its purpose. The trustees will need to apply the charity's surplus funds for either similar purposes in

another deprived area or other charitable purposes in the original area, depending on the terms of the governing document. We therefore make it clear to charities at registration stage that the governing document should spell out how surplus or unused funds are to be applied.

We asked the charities in our sample if they have any strategy in place in the event that they fulfil their objectives or their specific programmes of work are completed.

The majority of charities (69%) said that they do not have such a strategy in place. This is surprising considering so many regeneration charities appear to be reliant on short-term, time-limited funding.

## Strategies for dissolution

Strategies for dissolution	Income below £250,000	Income above £250,000 <sup>70</sup>
Yes - fulfil objects	20%	27%
Yes - activities are completed	5%	21%
No - strategy in place	75%	63%
Don't know	1%	2%

Of those that do have a decided plan in place, no common themes emerged. Four charities review either regularly or from time to time the progress and continued need for existence of the charity. Ten charities have an exit or succession strategy as part

of their wider business plan; while eight charities have plans either to dissolve or merge with another similar charity once either specific projects or regeneration of their area are complete.

## Conclusion

Analysis of this distinct group of regeneration charities, all of which are relatively recently registered, has revealed that there are similarities with other charities across the Register as a whole. However, there are also some unique distinguishing features: in particular, there are lessons for other

charities in terms of good governance and measuring the impact of the work that they do. Of wider relevance especially is how these charities are effectively engaging with and reaching out to beneficiaries.

<sup>70</sup> Percentages add up to more than 100% as charities were able to select either or both of the 'yes' options.

## Example objects for urban and rural regeneration

**NB:** charities should currently select at least 3 from sub-clauses (a) – (m)

"The promotion for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation (and in particular in [specify area]) by all or any of the following means:

- (a) the relief of financial hardship;
- (b) the relief of unemployment;
- (c) the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience;
- (d) the provision of financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
  - (i) in setting up their own business, or (ii) to existing businesses;
- (e) the creation of training and employment opportunities by the provision of workspace, buildings, and/or land for use on favourable terms;
- (f) the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;
- (g) the maintenance, improvement or provision of public amenities;
- (h) the preservation of buildings or sites of historic or architectural importance;
- (i) the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, have need of such facilities;
- (j) the protection or conservation of the environment;
- (k) the provision of public health facilities and childcare;
- (l) the promotion of public safety and prevention of crime;
- (m) such other means as may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales."

## Annex B

### Research techniques and survey findings

#### Quantitative data collection

Our research focused on 265 charities with model regeneration objects and a telephone survey targeted 125 of these charities: the survey sample was stratified into the following income bands by charities answering the question *Which income band does your charity fall within?*

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Less than £10,000	20	-	12
£10,000 - £249,999	80	-	48
£250,000 - £1 million	-	48	18
Over £1 million	-	52	20
Don't know	-	-	2
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

For the purposes of our report we have considered charities within two income brackets: charities with an income of £249,999 or below and £250,000 or more. The same income brackets have also been adopted in the tables below and so the income columns necessarily exclude the two charities who did not give an income figure.

#### Survey findings

Some of the results refer to open questions or those where a charity could choose more than one option, so the aggregate score may not equal 100%. Percentages may not add up to 100% due to rounding.

**Table 1: Does the charity have any strategy in place in the event that it fulfils its objectives or its specific programme of activities is completed?**

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Yes - fulfil objectives	20	27	23
Yes - activities are completed	5	21	11
No	75	63	69
Don't know	1	2	2
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: all respondents

**Table 2: What strategy do you have in place (in case your organisation fulfils its objectives or its specific programme of activities)?**

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Board review/Quarterly review/Reviewed from time to time	17	6	11
Business plan	6	6	6
Close/Winding up	11	12	11
Exit strategy/Succession strategy/Range of strategies	-	18	8
Merger/Amalgamation	6	6	6
On going objectives/On going programme/On going strategy	6	12	8
Pass on funds to other charity(ies)/Assets would go to another charity	22	-	11
Thirty-year plan/Thirty-year business plan	-	6	6
Others	39	41	39
No answer/Not stated	6	6	6
<b>Base</b>	<b>18</b>	<b>17</b>	<b>36</b>

Base: All charities having strategy in place in the event that it fulfils its objectives

**Table 3: Do you have difficulty recruiting trustees?**

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Yes, a lot	20	13	17
Yes, a little	28	29	28
No	52	58	54
Don't know	-	-	1
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 4: How many employees does the charity have?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
0	28	4	18
1 - 9	60	21	44
10 - 19	11	29	18
20 - 29	1	6	3
30 - 49	-	6	2
50 - 99	-	17	6
100+	-	17	8
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 5: How many volunteers does the charity have?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
0	11	27	18
1 - 9	36	23	30
10 - 19	20	23	22
20 - 29	17	6	13
30 - 49	4	10	6
50 - 99	8	8	8
100+	4	2	3
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 6: Does the charity have property that it uses to run the administration of the charity?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Yes	71	83	76
No	29	17	24
Don't know	-	-	-
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 7: Is the property owned outright, owned with a mortgage, rented etc?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Sole ownership - own outright	23	40	29
Sole ownership - own with mortgage/loan	4	8	5
Shared ownership - own outright	2	5	3
Shared ownership - own with mortgage/loan	-	3	1
Sole rental	43	38	41
Shared rental	13	15	14
Free location (donated space)	11	3	7
Lease/Leasehold	9	8	8
Don't know	-	-	1
<b>Base</b>	<b>53</b>	<b>40</b>	<b>95</b>

Base: All charities having property that it uses to run the administration of the charity

Table 8: Does the charity have land or buildings that are used directly for regeneration activities eg a community garden?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Yes	31	58	42
No	69	42	58
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 9: Is this land or buildings owned outright, on a mortgage, rented etc?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Sole ownership - own outright	30	39	36
Sole ownership - own with mortgage/loan	9	14	11
Shared ownership - own outright	4	4	4
Shared ownership - own with mortgage/loan	-	7	4
Sole rental	22	25	23
Shared rental	9	7	8
Free location (donated space)	9	-	4
Other	22	14	19
Don't know	4	-	2
<b>Base</b>	<b>23</b>	<b>28</b>	<b>53</b>

Base: All charities having land or buildings that are used directly for regeneration activities

Table 10: What proportion of people who directly use the services of the charity (ie users/beneficiaries) have involvement on the board of trustees?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
All: 100%	31	15	24
Most: 51 - 99%	15	6	11
Some: 1 - 50%	35	60	46
None	20	17	18
Don't know	-	2	1
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 11: Have there been any issues for the charity as a result of users being appointed as trustees (for example, conflicts of interest)?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Yes	13	17	14
No	85	79	83
Don't know	1	4	2
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 12: When recruiting new trustees, which of the following does your organisation do?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Carry out a skills audit to assess gaps	52	79	63
Review the diversity of the trustee board to make sure it represents the community	83	92	86
Ask prospective trustee to sign a declaration to say that they are eligible to act as a trustee	63	88	73
Elections/Annual elections	3	2	2
Interview	3	-	2
Personal contact/networking/word of mouth	5	-	3
Proposed by the existing trustees/nominated	3	2	3
CRB checks/Enhanced CRB checks	1	2	2
Others	8	13	10
Don't know	1	2	2
No answer/not stated	1	-	1
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 13: Are new trustees provided with any of the following?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Induction pack	63	88	73
Job description	37	75	53
Copy of the charity's governing document	92	90	91
Copy of latest accounts	81	94	86
Minutes of recent meetings	84	88	86
Copy of Charity Commission booklet: <i>The Essential Trustee: What you need to know</i>	65	56	61
Handbook	3	2	2
Information pack/current information pack/general information/other information	1	13	6
Briefings	1	2	2
Induction/induction programme	1	4	2
Charity Commission website	3	-	2
Newsletter	3	-	2
Annual report	1	2	2
NCVO	3	-	2
Others	17	21	18
Don't know	1	2	2
No answer/not stated	1	2	2
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 14: Do you provide any training to trustees?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
IT	15	15	14
Communicating - verbal and written	9	15	11
Client handling	4	4	4
Finance (budgeting, accounting, planning)	19	40	27
Partnership/team working	15	27	20
Strategic/business planning	17	31	23
Campaigning/lobbying	3	-	2
Fundraising	15	6	11
Managing employees/volunteers/trustees	16	25	19
Managing projects/contracts	15	21	18
Ability to operate in a multi-cultural environment	9	27	17
Business skills	8	17	12
HR	11	10	10
Legal skills/knowledge	8	33	18
Professional skills	4	6	6
Social work/care work skills	1	2	2
No training provided	39	23	32
As required/as needed for a specific post/depends on their role	9	4	7
Others	12	8	10
Don't know	1	6	3
No answers/not stated	1	-	1
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 15: What are the main three activities carried out by the charity?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Relief of financial hardship/poverty	11	8	10
Relief of unemployment	13	6	11
For education, training or retraining, particularly for unemployed people or providing unemployed people with work experience	37	33	35
Providing unemployed people with financial assistance, technical assistance, business advice, training and employment opportunities	21	17	19
The creation of training and employment opportunities by the provision of workspace, buildings, and/or land for use on favourable terms	11	8	10
Providing housing	9	13	12
Maintaining, improving or providing public amenities	15	15	15
Preservation of buildings or sites of historic or architectural importance	11	-	6
Providing recreational facilities	20	10	16
Protection or conservation of the environment	11	6	9
Providing public health facilities and childcare	5	6	6
Providing public safety and prevention of crime	5	6	6
Other means as may be determined (subject to the prior written consent of the Charity Commissioners for England and Wales)	-	2	1
Other	47	56	50
Don't know	1	-	1
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 16: Would you describe your charity's activities as a frontline deliverer of services or a co-ordinator of local activity engaging where applicable other agencies to deliver the work, or both of these?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
A frontline delivery of services (directly undertaking the different aspects of the regeneration project)	15	23	18
A co-ordinator of local activity engaging where applicable other agencies to deliver the work	23	8	17
Both frontline and co-ordinator	57	69	62
Neither	5	-	3
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 17: Are any activities undertaken by a subsidiary trading company?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Yes	13	25	18
No	87	75	82
Don't know	-	-	-
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

**Table 18: Which of the following methods of consultation do you use when contacting your users/beneficiaries?**

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Publish news, eg newsletter to let them know what is happening	76	85	80
Focus groups/surveys other research	85	79	83
Forums or working groups	71	83	76
Invite them to your AGM (Annual General Meetings)	79	71	75
Hold open meetings with your users/beneficiaries	77	71	75
Involve users/beneficiaries in planning activities and joining in the activities	89	83	87
Telephone helpline/open day for coming in with queries etc	52	60	56
Local authority/local council	1	4	2
Non-dedicated phone line	3	2	2
Website	4	2	3
Email	3	2	2
Open days/hold open days	1	2	2
Open every day/open five days a week/people can come in	5	2	4
One to one meetings/face to face	3	2	3
Others	12	17	14
No answer/not stated	3	2	2
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

**Table 19: Which, if any of the following measures are in place to measure impact or assess the charity's effectiveness?**

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Social audit	36	46	40
PQASSO	16	19	17
Performance management	49	77	61
Outputs for grant providers	84	85	84
Stakeholder feedback	72	85	78
Surveys/questionnaires/survey feedback	4	4	5
Annual/quarterly/monthly review	3	4	3
Matrix	1	2	2
Evaluation/evaluations on every project	3	2	2
Others	15	17	16
Don't know	1	2	2
None/nothing	1	-	1
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

**Table 20: Other than by the Charity Commission, is the charity subject to regulation and/or inspection by any other bodies, whether statutory, umbrella and/or funding organisations?**

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Yes: other statutory body	39	77	54
Yes: umbrella body	7	25	14
Yes: funding organisations	57	77	64
No	19	2	12
Companies House	9	4	7
Others	4	4	4
Don't know	3	-	2
No answer/not stated	1	-	1
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 21: What issues have affected the charity in a detrimental way in the past few years?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Accommodation	1	2	2
Clients/users	-	-	-
Employees	3	-	2
Funding	47	29	39
Government regulation	8	8	8
Information Technology (IT)	-	-	-
Management/trustees	4	-	2
Members	1	-	1
Networks/partnerships	3	-	2
Volunteers	3	-	2
No issues	20	33	26
Local government/local authority/local council	8	2	6
Local politics	4	2	3
Others	20	21	20
Don't know	5	8	7
No answer/not stated	1	-	1
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 22: What is your main risk?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Accommodation	9	-	6
Employees	4	-	2
Funding	60	67	62
Government regulation	-	10	6
Information Technology (IT)	-	2	1
Management/trustees	1	2	2
Members	1	-	1
Volunteers	3	2	2
Apathy/apathy in the community	1	-	1
Others	13	15	14
No answer/not stated	7	2	5
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 23: What is your second risk?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Accommodation	1	6	4
Clients/users	3	4	3
Employees	6	19	11
Funding	17	9	13
Government regulation	3	17	8
Information Technology (IT)	1	-	2
Management/trustees	10	6	8
Members	6	2	4
Networks/partnerships	3	2	3
Volunteers	13	2	8
Apathy/apathy in the community	3	-	2
Others	21	15	18
Don't know	1	-	1
None/nothing	-	2	1
No answer/not stated	6	6	6
<b>Base</b>	<b>70</b>	<b>47</b>	<b>119</b>

Base: All having a main risk

Table 24: What is your third risk?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Accommodation	3	2	3
Clients/users	3	5	4
Employees	12	11	12
Funding	5	9	6
Government regulation	2	9	5
Information Technology (IT)	-	5	2
Management/trustees	6	11	8
Members	3	-	2
Networks/partnerships	8	5	7
Volunteers	14	-	8
Others	9	7	8
Don't know	5	5	5
None/nothing	2	-	1
No answer/not stated	12	14	13
<b>Base</b>	<b>65</b>	<b>44</b>	<b>111</b>

Base: All having a second risk

Table 25: Overall risk

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Accommodation	13	8	12
Clients/users	5	8	6
Employees	20	29	23
Funding	79	83	79
Government regulation	4	35	18
Information Technology (IT)	1	6	4
Management/trustees	16	19	17
Members	9	2	6
Networks/partnerships	9	6	9
Volunteers	27	4	18
Apathy/apathy in the community	4	-	2
Others	41	35	38
Don't know	5	4	6
None/nothing	1	2	2
No answer/not stated	23	21	22
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 26: Are there any issues that you think might impact upon the charity in the coming months?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Accommodation	3	2	2
Clients/users	1	-	1
Employees	3	-	2
Funding	28	10	21
Government regulation	7	15	10
Information Technology (IT)	1	-	1
Management/trustees	-	-	-
Members	-	-	-
Networks/partnerships	-	-	-
Volunteers	1	-	1
No issues	33	42	37
Local government/local authority/local council	3	4	3
Increase in interest rates	-	4	2
Others	29	31	30
Don't know	-	2	1
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 27: Where do you get your main funding from?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
European Structural Funds (ESF)	8	13	10
European Regional Development Fund	16	6	12
Neighbourhood Renewal Funding	11	10	10
Single Regeneration Budget (SRB)	4	6	5
Community Chest Funds	8	4	6
National Lottery	15	8	12
Donations from public	16	4	11
Donations from other charities	9	2	6
Trading income	12	19	14
Other	37	44	41
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 28: What other sources do you get your funding from?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
European Structural Funds (ESF)	4	13	7
European Regional Development Fund	7	17	10
Neighbourhood Renewal Funding	8	13	10
Single Regeneration Budget (SRB)	12	17	14
Community Chest Funds	9	4	7
National Lottery	19	17	18
Donations from public	17	2	11
Donations from other charities	21	15	18
Trading income	17	21	19
Other	52	56	54
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 29: What main/other sources do you get your funding from?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
European Structural Funds (ESF)	12	25	17
European Regional Development Fund	23	23	22
Neighbourhood Renewal Funding	19	23	20
Single Regeneration Budget (SRB)	16	23	18
Community Chest Funds	17	8	14
National Lottery	33	25	30
Donations from public	33	6	22
Donations from other charities	31	17	25
Trading income	29	40	34
Other	76	83	79
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 30: Have the charity's activities been negatively affected by funding at all?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Yes	49	40	45
No	51	60	54
Don't know	-	-	1
<b>Base</b>	<b>75</b>	<b>48</b>	<b>125</b>

Base: All respondents

Table 31: In what way has the charity's activities been affected?

	Income		Total %
	Small £249,999 or less %	Large £250,000 or more %	
Cannot deliver particular services because funds are not available	57	47	54
Tied to outputs that are time consuming and costly to monitor	19	11	16
Able to deliver added services	3	-	2
Unable to plan for the long-term as funding is short-term	30	32	30
Have to find ways of becoming financially self-sustainable	27	11	21
Funding for wages/salaries/loss of staff because of funding/reduce staff	11	-	7
Unable to proceed with projects through lack of funding/closure of projects	11	5	9
Others	22	26	23
<b>Base</b>	<b>37</b>	<b>19</b>	<b>56</b>

Base: All whose organisation has been negatively affected by funding

## Glossary of terms

In this report, where we use '**must**' we mean it is a specific legal or regulatory requirement affecting trustees or a charity. Trustees must comply with these requirements. We use '**should**' for items we regard as minimum good practice, but for which there is no specific legal requirement. Trustees should follow the good practice guidance unless there is a good reason not to.

A **beneficiary** is anyone who uses or benefits from a charity's services or facilities, whether provided on a voluntary basis or as a contractual service.

The **board of trustees** or trust board refers to a charity's governing body. This may also be called the management committee, executive committee or board of directors, or may be known by some other title.

**Charitable company** means a company:

- formed and registered under the Companies Act 1985; or
- to which the provisions of the 1985 Act apply as they apply to a company so formed and registered;

**and**

- which is established for **exclusively** charitable purposes.

**Charity trustees** are the people responsible under the charity's governing document for controlling the management and administration of the charity

(section 97(1) of the Charities Act 1993). They may be called trustees, managing trustees, committee members, governors, or directors, or they may be referred to by some other title. In the case of an unincorporated association, the members of the executive or management committee are its charity trustees. In the case of a charitable company, they are the directors.

A **governing document** is any document that sets out the charity's purposes and, usually, how it is to be administered. It may be a trust deed, constitution, memorandum and articles of association, conveyance, will, Royal Charter, scheme of the Commission or other formal document.

For the purposes of this report, a **large charity** is broadly defined in terms of its income. If a charity has an annual income of £250,000 or more recorded on our database in its last full financial year, we have considered it to be a large charity.

For the purposes of this report, a **small charity** is broadly defined in terms of its income. If a charity has an annual income of £249,999 or less recorded on our database in its last full financial year, we have considered it to be a small charity.

**Unincorporated charity** means a charitable trust (other than a Common Investment Fund or a common deposit fund) or a charitable unincorporated association, and for present purposes includes any other charity whose property is held on a trust (eg a company incorporated by Royal Charter).

# Annex D

## Resources

There are some resources that trustees and staff of regeneration charities can use to help them. While this is not a definitive or complete list, it does offer a good overview and a useful starting point.

### The Charity Commission for England and Wales

The Charity Commission produces a wide range of publications and website guidance giving information and advice to charity trustees and the general public on issues relating to charity law, regulation and best practice. The full list of publications is on our website and in our publication CC1, but the list below is a selection based on the issues covered in this report.

### Charity Commission publications

<i>Promotion of Urban and Rural Regeneration</i>	(RR2)
<i>The Promotion of Community Capacity Building</i>	(RR5)
<i>Registering as a Charity</i>	(CC21)
<i>Users on Board: Beneficiaries who become trustees</i>	(CC24)

To obtain copies of these or any of our publications you can:

- view and print them from our website;
- order during office hours (8.30am – 6pm weekdays) by phoning us on 0845 300 0218; or
- write to the Charity Commission, PO Box 8585, Adamsway, Mansfield NG18 9AJ.

### How to get in touch with us

#### Charity Commission Direct

PO Box 1227  
Liverpool  
L69 3UG

**Tel:** 0845 300 0218, open 08:30 to 18:00, Monday to Friday, except national holidays.

**Tel:** 0845 300 0219 (minicom for hearing-impaired callers)

**Fax:** 0151 703 1555

**Email:** [enquiries@charitycommission.gov.uk](mailto:enquiries@charitycommission.gov.uk)

**Website:** [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)

## Organisations

### ACRE (Action with Communities in Rural England)

Aims to improve the quality of life of local communities, and particularly of disadvantaged people in rural England.

Somerford Court  
Somerford Road  
Cirencester  
Gloucestershire GL7 1TW

**Tel:** 01285 683477  
**Fax:** 01285 654537  
**Email:** [acre@acre.org.uk](mailto:acre@acre.org.uk)  
**Website:** [www.acre.org.uk](http://www.acre.org.uk)

### bassac (The British Association of Settlements and Social Action Centres)

This is a membership network of multi-purpose community organisations. It represents its diverse members at a national level and offers them strategic support.

33 Corsham Street  
London N1 6DR

**Tel:** 0845 241 0375  
**Website:** [www.bassac.org.uk](http://www.bassac.org.uk)

### British Urban Regeneration Association (BURA)

Promotes best practice in regeneration.

63-66 Hatton Garden  
London EC1N 8LE

**Tel:** 08000 08181260 (Freephone) or 020 7539 4030  
**Fax:** 020 7404 9614  
**Email:** [info@bura.org.uk](mailto:info@bura.org.uk)  
**Website:** [www.bura.org.uk](http://www.bura.org.uk)

### Charities Evaluation Services (CES)

CES helps members of voluntary and community organisations to develop their own approaches to enhancing the quality of their services.

4 Coldbath Square  
London EC1R 5HL

**Tel:** 020 7713 5722  
**Fax:** 020 7713 5692  
**Email:** [enquiries@ces-vol.org.uk](mailto:enquiries@ces-vol.org.uk)  
**Website:** [www.ces-vol.org.uk](http://www.ces-vol.org.uk)

### CEMVO (The Council of Ethnic Minority Sector Organisations)

A registered charity set up to extend opportunities to people from the most disadvantaged communities in the UK.

Boardman House  
64 Broadway  
Stratford  
London E15 1NG

**Tel:** 020 8432 0000  
**Fax:** 020 8432 0318/9  
**Email:** [enquiries@emf-cemvo.co.uk](mailto:enquiries@emf-cemvo.co.uk)  
**Website:** [www.cemvo.org.uk](http://www.cemvo.org.uk)

### The Civic Trust Regeneration Unit

Promotes and delivers regeneration initiatives.

The Civic Trust  
Essex Hall  
1-6 Essex Street  
London WC2R 3HU

**Website:** [www.civictrust.org.uk/regeneration](http://www.civictrust.org.uk/regeneration)

### Community Matters - Visible Communities

Community Matters is the National Federation for Community Organisations. The Visible Communities™ framework identifies the role of community associations.

**Website:** [www.visiblecommunities.org.uk](http://www.visiblecommunities.org.uk)

### Community Development Foundation

A non-departmental public body. Its role is to study and promote new forms of community development, in order to inform public policy, professional practice and community initiatives.

Headquarters  
Unit 5 Angel Gate  
320-326 City Road  
London EC1V 2PT

**Tel:** 020 7833 1772  
**Fax:** 020 7837 6584  
**Email:** [admin@cdf.org.uk](mailto:admin@cdf.org.uk)  
**Website:** [www.cdf.org.uk](http://www.cdf.org.uk)

### Department for Communities and Local Government (DCLG)

DCLG is the successor department to the Office of the Deputy Prime Minister (ODPM) and has a new remit to promote community cohesion and equality, as well as responsibility for housing, urban regeneration, planning and local government.

Eland House  
Bressenden Place  
London SW1E 5DU

**Tel:** 020 7944 4400  
**Email:** [enquiryodpm@odpm.gsi.gov.uk](mailto:enquiryodpm@odpm.gsi.gov.uk)  
**Website:** [www.communities.gov.uk](http://www.communities.gov.uk)

### Development Trusts Association

The national body for development trusts.

33 Corsham Street  
London N1 6DR

**Tel:** 0845 458 8336  
**Fax:** 0845 458 8337  
**Email:** [info@dtg.org.uk](mailto:info@dtg.org.uk)  
**Website:** [www.dta.org.uk](http://www.dta.org.uk)

### Directory of Social Change

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

London  
Directory of Social Change  
24 Stephenson Way  
London NW1 2DP

**Tel:** 020 7391 4800

### Liverpool

Directory of Social Change  
Federation House  
Hope Street  
Liverpool L1 9BW

**Tel:** 0151 708 0117

**General Tel:** 08450 77 77 07  
**Email:** (London) [info@dsc.org.uk](mailto:info@dsc.org.uk)  
(Liverpool) [north@dsc.org.uk](mailto:north@dsc.org.uk)  
**Website:** [www.dsc.org.uk](http://www.dsc.org.uk)

### English Partnerships

The national regeneration agency, helping the Government to support high quality sustainable growth in England.

Corporate Headquarters  
110 Buckingham Palace Road  
London SW1W 9SA

**Tel:** 020 7881 1660  
**Fax:** 020 7730 9162  
**Website:** [www.englishpartnerships.co.uk](http://www.englishpartnerships.co.uk)

### National Association for Voluntary and Community Action (NAVCA)

Supports the work of community and voluntary groups including regeneration.

177 Arundel Street  
Sheffield S1 2NY

**Tel:** 0114 278 6636  
**Fax:** 0114 278 7004  
**Website:** [www.navca.org.uk](http://www.navca.org.uk)

### National Council for Voluntary Organisations (NCVO)

The umbrella body for the voluntary sector in England.

Regent's Wharf  
8 All Saints Street  
London N1 9RL

**Tel:** 020 7713 6161  
**Helpdesk:** 0800 2798 798  
**Email:** [ncvo@ncvo-vol.org.uk](mailto:ncvo@ncvo-vol.org.uk) or  
[helpdesk@askncvo.org.uk](mailto:helpdesk@askncvo.org.uk)  
**Website:** [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk), or  
[www.askncvo.org.uk](http://www.askncvo.org.uk)

### Regeneration-uk.com

An internet-based information resource for any organisation involved in urban regeneration, economic development and community renewal.

**Website:** [www.regenerationuk.com](http://www.regenerationuk.com)

### Rural Regeneration Unit

Aims to find practical and progressive solutions to the problems and challenges facing rural communities.

Unit 5C  
Lakeland Business Park  
Cockermouth  
Cumbria CA13 1QT

**Tel:** 01900 828870

**Fax:** 01900 828863

**Email:** [info@rru.org.uk](mailto:info@rru.org.uk)

**Website:** [www.rru.org.uk](http://www.rru.org.uk)

### Urban Forum

Umbrella body for community and voluntary groups with interests in urban and regional policy, especially regeneration.

70 Cowcross Street  
London EC1M 6EJ

**Tel:** 020 7253 4816

**Fax:** 020 7253 4817

**Email:** [info@urbanforum.org.uk](mailto:info@urbanforum.org.uk)

**Website:** [www.urbanforum.org.uk](http://www.urbanforum.org.uk)

### VolResource

An internet-only resource for charities that offers quick links to useful organisations concerned with the effective running of charities.

**Email:** [info@volresource.org.uk](mailto:info@volresource.org.uk)

**Website:** [www.volresource.org.uk](http://www.volresource.org.uk)

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## Notes

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You can obtain large-print versions  
of this publication from the Charity  
Commission on 0845 300 0218

**Charity Commission**

Telephone: **0845 300 0218**

Minicom: **0845 300 0219**

By post: **Charity Commission Direct**

PO Box 1227

Liverpool

L69 3UG

Website: **[www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)**