



Operational Case Report

The Priory of England and The Islands of the Order of St John (1077265)

About the charity

The Priory of England and The Islands is one of the ten autonomous priories of The Order of St John (The Most Venerable Order of the Hospital of St John). The Priory was established in 1999 and is an unincorporated charity. Most of the Priory's activities are undertaken through St John Ambulance (a separate company and subsidiary charity), which teaches people first aid.

Why the commission got involved

St John has implemented a transformation/change programme involving re-structuring and modernising the charity's governance. The plans, which were explained in advance to the commission, have proved controversial with some members and a number of allegations were made to the commission about how the changes were implemented and their effect on St John. As a result of the dispute, a small number of members were subject to disciplinary proceedings.

The commission has only a limited role in this type of situation, since it cannot become involved in the administration of a charity. Decisions about the structure and modernisation plans of a charity are principally for the trustees, acting within the law and the provisions of the charity's governing document. However, given on-going complaints about St John, we decided to look at whether the decisions to restructure were properly taken and whether the new governance structures are democratic, accountable and within the law.

The action we took

We reviewed the governing documents, the correspondence about the changes (including the complaints of members), and papers provided to the commission by St John. We met with the chief executive and priory secretary and general counsel at St John's Gate.

What we found

We found that, under the terms of the governing documents and charity law, the council did have the power to implement the changes. We did not see any evidence to suggest that the procedures outlined in the rules and regulations were not followed.

The governance changes accord with charity law and did not raise any causes for concern and appeared to have been developed to accord with recognised good practice.

It is regrettable when disciplinary proceedings have to be brought against volunteers and we recognise that the events brought considerable distress to those involved. We did not see anything to suggest that the charity acted in a way that would bring the charity into disrepute such that the commission should become involved in these matters.

Lessons for other trustees

A charity should regularly review its governance structures (and sometimes undertake a wider strategic review) to ensure that it remains effective, fit for purpose and accords with best practice. For membership charities, there needs to be an appropriate balance between membership involvement and the trustees' overall responsibility for running the charity and decision making. The separate roles and legal responsibilities of trustees and members need to be clearly documented and understood to avoid misunderstandings and disputes.

For some established charities, transitioning to a modern structure will be difficult and controversial. Trustees may sometimes need to make tough decisions where these are clearly in the best interests of the charity, even though they may be unpopular with stakeholders. In any such review, charities should consult with stakeholders including particularly, in the case of membership charities, the charity's members. By listening to members, and making them aware of the reasons behind the proposals, trustees are more likely to bring members with them, avoiding disputes and disruption to the smooth running of the charity.

Any governance review is likely to include the following questions:

- is the trustee body of the right size for the charity? does it include the necessary skills and experience? is it sufficiently diverse?
- do any rules or bye-laws need updating and do they remain fit for purpose?
- are all necessary policies in place (such as a policy on conflicts of interest)?
- are there clearly defined reporting lines between the board and its sub-committees (if any) and between the board and the executive?
- are arrangements in place for the induction of new trustees, on-going trustee training and appraising individual and board effectiveness?
- are adequate arrangements in place for communicating with stakeholders?

For membership charities:

- are trustees and members clear about their respective roles and legal responsibilities? are they adequately set out?
- is the membership truly representative of the group it is designed to serve?
- are there constitutional arrangements allowing members to participate – such as through an annual general meeting and/or a consultative body of members?