

# LEEDS INFRASTRUCTURE CONSORTIUM RESOURCE PACK

## SECTION 1 – GOVERNANCE

### **Introduction**

This section on **Governance** is part of an 8-pack series of resource materials that has been produced by the Leeds Infrastructure Consortium. For further information please go to [www.leeds-ic.org.uk](http://www.leeds-ic.org.uk).

### **1. SETTING UP A GROUP**

Sometimes a group of people come together with a shared vision to do something in their local community. Setting up a new group or organisation involves a variety of tasks and there are a number of things you will need to consider. The more aware you are of what you need to do, the easier the task will be. Good planning at this stage can save a lot of wasted effort or work later.

#### **Why?**

- Are you starting the group because of a local issue?
- What do you want to achieve?
- What are the 'aims' of the group/organisation?
- Is it just for the members i.e. a photography club, or the wider community?
- Have you local people who are already interested in the idea/activity/issue?
- Who are the potential beneficiaries / members? Do they want what you are offering?

#### **Where will it take place?**

- What area are you going to cover – a specific part of Leeds or the whole city?
- If you are just starting out you need to be as realistic as possible in terms of what you might achieve with the people and resources you have.
- Are there other groups doing similar things in the local area – can you link with them instead of setting up a new group? Duplicating can be expensive, a waste of resources and may not be supported by funders. Joining an existing organisation and working with them saves a lot of hard work.

#### **Developing Ideas/Aims and a Plan**

- Once you have got people interested then you need to get together to think about the goals/aims of the group and how to achieve them. This way everyone can have a say and feel involved in the group from the very start, so that no one person feels as if they have to do all the work.
- It may take more than one meeting to agree on the aims and objectives but once this has been agreed you can then concentrate on writing an action plan.
- The plan does not have to be lengthy but should set out what you want to achieve, how you are going to achieve it, who is going to do it, when it's going to be done by, and who will benefit. It should tell your members, supporters and other interested people what you are doing, why and how you will go about doing it.
- You will need:
  - Aims and objectives: what you aim to do
  - Methods: how you intend to do it
  - Resources: time, people, skills, money, equipment, premises (both what resources you have and what you might need)
  - Timetable: when things might happen

There are some building blocks that you need to agree at the outset:

- **Values.** What are the values you share as a group? For example, do you value equality / disabled people / democracy? Your group needs to agree on some shared values.
- **Vision.** What sort of world does this group want? “Our vision is a community of happy and fulfilled elderly Hindi women in Chapeltown.”
- **Mission.** This is what you want to achieve by setting up the group, its purpose. “Our mission is to support and enable elderly Hindi women in Chapeltown, Leeds to develop their full potential.”

## 2. CONSTITUTION

Although a group can carry on meeting informally for ever, there usually comes a time when they need to have a more formal status – when applying for funding, for instance. It is good practice to develop a constitution early on as it helps avoid confusion among group members.

A constitution is a set of rules by which the group will operate. Once the constitution is signed the group exists in law as “an unincorporated association”.

Most constitutions follow a similar format with headings as below:

- Name
- Aims
- Powers
- Membership
- Management Committee
- General Meetings
- Accounts / finance
- Alterations to the rules
- Dissolution (closure)

See guide 1a for more details about how to set up a constitution, together with a draft constitution to consider.

## 3. OTHER ISSUES

### a. **Management Committee**

Most constituted groups elect a “management committee”, members of the group who are going to have more to do with the day-to-day activities in areas such as finance, administration etc. A management committee should have at least 3 people – usually Chairman, Treasurer and Secretary – but many have more than that. Every member of the management committee is individually responsible and liable for the running of the group even if some of the members take on more official positions.

See section guide 1b for further details.

### b. **Bank Account / Finances**

You will need to open a bank account in the name of the group. Most banks provide services for charities and community groups. You need to agree some key elements: who is going to do the book-keeping? When is your financial year? Do you know how to produce a budget / annual accounts?

We recommend you have at least 2 signatories on the account (and they should not be members of the same family). It is a good idea to have 3 or 4 signatories, any 2 of which need to sign a cheque. Some other basic advice on financial matters includes:

- Cheque books, petty cash and account books should be kept in a secure place
- Cheques should not be signed by the person to whom the cheque is payable
- Where possible make payments by cheque and not cash
- Never sign blank or partly completed cheques
- Always get a receipt for payments made
- Do not pay bills without an invoice
- Pay all cash and cheques into the bank and keep a record of the date and amount paid in
- Give a receipt for any money received.

Don't worry, help is on hand via the West Yorkshire Community Accounting Service (WYCAS) who can help you with all of this. Contact Claire Welling [claire.welling@wycas.org.uk](mailto:claire.welling@wycas.org.uk) 0113 270 6291. There is also a separate guide in this series on Finance, available from [www.leeds-ic.org.uk](http://www.leeds-ic.org.uk).

### **c. Training**

Voluntary Action-Leeds provides training on a huge range of subjects including: roles and responsibilities of management committee members, minute taking, fundraising etc. Some of these are free to start-up groups or those with a low income. Contact: Tina.ashby@val.org.uk 0113 297 7944 or go to web site [www.val.org.uk/courses.php](http://www.val.org.uk/courses.php).

### **d. Insurance**

You need to make sure that any events or activities you hold are properly insured and that you have carried out risk assessments. Training is available and further details can be found in Guide 6b of this series (Running Events).

### **e. Safeguarding**

If your group is going to work with children (anyone under the age of 18) or vulnerable adults (not just a disabled or older person, any individual who needs to be able to trust the people caring for them, supporting them or providing them with an essential service, which could leave them vulnerable to abuse) you will need to have policies and procedures in place. Tom Holden, the Leeds Safeguarding Children Board's Third Sector Safeguarding Officer will be able to help you with all this. Contact: [tom.holden@leeds.gov.uk](mailto:tom.holden@leeds.gov.uk) 0113 395 1334. Further details can be found in Guide 6a.

### **f. Equal opportunities**

It is good practice to consider equal opportunities before applying for funding. You do need to agree your own Equal Opportunities rather than just borrow someone else's policy statement so that you explore what issues of ethnicity/race, religion, gender and sexuality, ability/disability, age etc. are relevant to your group or organisation. When these have been discussed, referring to a draft policy from elsewhere may be helpful in identifying issues you might have missed. Equal opportunities policy should apply to members, beneficiaries, volunteers, and paid employees and management committee members.

#### 4. OTHER USEFUL SITES

There is a range of useful information on governance on the following websites

[www.ncvo-vol.org.uk/advice-support/trustee-governance/publications](http://www.ncvo-vol.org.uk/advice-support/trustee-governance/publications)

[www.sandy-a.co.uk](http://www.sandy-a.co.uk): a private consultant offering useful information on governance and other legal issues

[www.governancepages.org.uk](http://www.governancepages.org.uk): excellent website on various governance related issues

[www.charity-commission.gov.uk](http://www.charity-commission.gov.uk): all the information you need to register as a charity

[www.communitymatters.org.uk/resources.aspx](http://www.communitymatters.org.uk/resources.aspx): website full of useful information on all aspects of running a small community organisation

# LEEDS INFRASTRUCTURE CONSORTIUM RESOURCE PACK

## SECTION 1a: GOVERNANCE - CONSTITUTION

### *Introduction*

This section is part of an 8-pack series of resource materials that has been produced by the Leeds Infrastructure Consortium. For further information go to [www.leeds-ic.org.uk](http://www.leeds-ic.org.uk).

### 1. CONSTITUTION

A constitution is simply the aims and rules that your group will use. It's a written understanding of what your group is going to do and how it is going to do it. It is important because:

- Without this written understanding people can easily find themselves at cross purposes and the jobs won't get done.
- It will serve as a reference, and help to resolve problems in times of controversy.
- Outsiders, especially potential funders, will want to see that your group is democratic and accountable. This involves having a clear procedure by which decisions are made.

For these reasons it is important to get a constitution that actually reflects the way in which you do things, or want to do things. There is no point in lumbering yourself with a lot of bureaucracy you don't want, or writing down loads of things you don't intend to do, simply because you think they are what people expect. It is best to have a discussion in the group and decide what everyone wants to do, rather than send someone away to draft a long document that everyone ignores!

The following information will help you draw up a constitution for what is termed an 'unincorporated association'. It is entirely up to your members how you organise your group and, therefore, what you put in your constitution. This constitution will be suitable for your community group unless you plan to set up a limited company or a charitable trust – these are different types of organisations. Your constitution should reflect what your group wants to do, and so will be different from the constitutions of other groups. Even so, most constitutions have a similar structure and will have similar headings.

You will probably want to include sections on:

1. Name of Organisation
2. Aims (sometimes called Objectives) of Organisation
3. Powers
4. Membership
5. Management Committee
6. Duties of others
7. Finance
8. Meetings
9. Conflicts of interest
10. Amendments to the Constitution
11. Dissolution
12. Adoption of the Constitution

Don't think that you have to use complicated or legal language. The main point of a constitution is that everybody can understand how the group runs. You are writing it for people like yourself, not for lawyers. If you make things complicated then the chances are that nobody will understand it and everyone will ignore it. Appendix A gives an example constitution for a small group. A more complex draft constitution can be found in section 2 below.

## 2. SAMPLE CONSTITUTION

An example of the kind of statements that might be made in a constitution is given in the left hand column of the table below. It is not a model showing you what statements should be made. You should read the guidance in the right hand column to see what needs to be considered so that you may decide what is relevant to your own organisation.

### Constitution of .....Group

<p><b>1) Name</b></p> <p>The name of the group shall be ----- Referred to hereafter in this document as 'the group'.</p>	<p><i>Other terms used might be 'the association' or 'the organisation'. Include a clause allowing you to change the name if necessary.</i></p>
<p><b>2) Aims/Objects</b></p> <p>The aim of the Group shall be to: -</p>	<p><i>This should be a simple statement including aims (sometimes referred to as Objectives), geographical area and people benefiting. Be specific and realistic.</i></p>
<p><b>3) Powers</b></p> <p>In order to achieve its aim the Group may:</p> <ol style="list-style-type: none"> <li>Raise money</li> <li>Open bank accounts</li> <li>Acquire and run buildings</li> <li>Take out insurance</li> <li>Employ staff</li> <li>Organise courses and events</li> <li>Work with similar Groups and exchange information and advice with them</li> <li>Do anything that is lawful which will help it to fulfil its aim</li> </ol>	<p><i>This section shows the "powers" you will use to carry out your aims.</i></p> <p><i>These are examples of the most common powers. If you don't think the aim/object of your group is covered you can add to the list or take out any you think inappropriate. Think to the future and include as many powers as you are likely to need to avoid having to make changes to your constitution at a later date.</i></p>
<p><b>4) Membership</b></p> <p>Membership of the Group shall be open to any individual over eighteen who supports the objects of the group and agrees to abide by the rules of the group. This includes:</p> <ol style="list-style-type: none"> <li>All those who have paid a membership fee and signed a membership form</li> <li>Other individuals and organisations who support the objects and have signed a membership form</li> <li>The membership of any member may be terminated for good reason by the Management Committee. The member concerned shall have the right to be heard by the Management Committee, accompanied by a friend, before a final decision is made.</li> <li>The secretary will maintain a list of members.</li> <li>There will be two types of meetings of the full membership:</li> </ol>	<p><i>This is membership of the whole organisation not just membership of the management committee or the users of the service.</i></p> <p><i>Consider: Who can be a member? How do they become a member and how can membership be proved if there is a dispute (e.g. signing a membership form)? Is there a fee? Are there different types of membership (e.g. Full or Associate)? What are members' rights (e.g. voting)? How may membership be</i></p>

<p>The AGM Special General Meetings At least (?) members must be present at these meetings for the meeting to have the power to make decisions.</p>	<p><i>terminated (by member or by organisation)? When will members meet and how will those meetings be called? How many members will make a quorum (the number of members needed to be present to validate decisions)?</i></p> <p><i>You could discuss your membership with your group before you agree your constitution.</i></p>
<p><b>5) Management Committee</b></p> <ul style="list-style-type: none"> <li>a. The Group shall be administered by a Management Committee of not less than three and not more than (?) individuals elected at the Group's Annual General Meeting by members.</li> <li>b. Members of the group and anyone who supports the objects of the group and has specific skills to bring are eligible to join the committee.</li> <li>c. The Officers of the Management Committee shall be: the Chair, the Treasurer and the Secretary.</li> <li>d. The Management Committee may co-opt individuals with specific skills onto the Committee. Co-opted members should make up no more than one third of the full membership. Co-opted members will/will not have the right to vote.</li> <li>e. The Management Committee shall meet at least three times a year.</li> <li>f. At least three Management Committee members must be present for a Management Committee meeting to take place.</li> <li>g. Voting at Management Committee meetings shall be by a show of hands. If there is a tied vote then the Chairperson shall have a casting vote.</li> <li>h. Minutes will be taken of each meeting and recorded by the Secretary.</li> <li>i. The Management Committee may establish any sub-committees required. All sub-committees will be subject to the terms of reference agreed by the Management Committee. They will be chaired by a member of the full Management Committee and must report to the Management Committee on their activities and decisions.</li> <li>j. The Management Committee shall have the power to remove any member of the Committee for good and proper reason.</li> <li>k. The Management Committee may appoint any other member of the Group as a Committee member to fill a vacancy, provided that the maximum number of management committee members is not exceeded.</li> </ul>	<p><i>Consider:</i></p> <p><i>Who is eligible to join the management committee? How are they appointed? Who by? How long can they serve before they must stand for re-election? How are committee members suspended and for what causes (e.g. regular non-attendance of meetings)? How many meetings will there normally be? How many should be present for decisions to be made? Do co-opted members have the right to vote? What happens if there is a tied vote (The Chair only has a casting vote if the constitution allows it)? What Officer roles are there on your committee?</i></p> <p><i>A very small management committee is not ideal. Aim for at least five members. A large committee is equally problematic: have a maximum stated in your constitution of about 12.</i></p> <p><i>You may wish to agree in a separate policy what constitutes good and proper reasons for removal i.e. failure to attend meetings or bringing the organisation into disrepute.</i></p>

<p><b>6) The Duties of the Officers</b></p> <p>The duties of the Chairperson shall be to:</p> <ol style="list-style-type: none"> <li>Chair meetings of the Committee and the Group.</li> <li>Represent the Group at functions/meetings that the Group has been invited to and</li> <li>Act as the spokesperson of the Group when necessary.</li> </ol> <p>The duties of the Secretary shall be to:</p> <ol style="list-style-type: none"> <li>Keep a membership list.</li> <li>Prepare in consultation with the Chairperson the agenda for meetings of the Committee and the Group.</li> <li>Take and keep minutes of all meetings.</li> <li>Collect and circulate any relevant information within the Group.</li> </ol> <p>The duties of the Treasurer shall be to:</p> <ol style="list-style-type: none"> <li>Supervise the financial affairs of the Group.</li> <li>Keep proper accounts that show all monies received and paid out by the Group.</li> <li>Prepare an annual report of income and expenditure for the AGM.</li> </ol>	<p><i>These descriptions are the usual functions of these positions and could include variations dependent on the aims of your group.</i></p>
<p><b>7) Finance</b></p> <ol style="list-style-type: none"> <li>All monies received by or on behalf of the Group shall be applied to further the aims of the Group and for no other purpose.</li> <li>Any bank accounts opened for the Group shall be in the name of the Group.</li> <li>Any cheques issued shall be signed by the Treasurer and one other nominated member of the Management Committee.</li> <li>A financial report shall be provided at each management meeting to monitor income and expenditure.</li> <li>The Group shall ensure that its accounts are audited or independently examined every year.</li> <li>The group may pay reasonable out of pocket expenses including travel, childcare and meal costs to members or Management Committee members.</li> </ol>	<p><i>A minimum of two signatories is possible but it would be better to have two out of three or four. Do not use signatories from the same household.</i></p>
<p><b>8) Meetings</b></p> <ol style="list-style-type: none"> <li>The Group shall hold an Annual General Meeting (AGM) in the month of .....</li> <li>All members shall be given at least fourteen days notice of the AGM and shall be entitled to attend and vote.</li> <li>The business of the AGM shall include:             <ol style="list-style-type: none"> <li>Receiving a report from the Chairperson on the Group's activities over the year</li> <li>Receiving a report from the Treasurer on the finances of the Group</li> <li>Electing a new Management Committee</li> <li>Considering any other matter as may be decided</li> </ol> </li> </ol>	<p><i>Consider: When these will be called? How much notice is required? How members will be informed? How many members must be present for decisions to be made? How will voting take pace (e.g. show of hands or secret ballot)?</i></p>

<p>d. At least (?) members must be present for the Annual General Meeting and any other General Meeting to take place.</p> <p>e. Election of committee members and officers will take place through a show of hands.</p> <p>f. A special General Meeting may be called by the Management Committee or ..... members to discuss an urgent matter. The Secretary shall give all members fourteen days notice of any Special General Meeting together with notice of the business to be discussed</p>	<p><i>If, for example, there was a particular event that affected your group, you could call a special meeting to discuss and agree a course of action.</i></p>
<p><b>9) Conflict of interest</b></p> <p>When a committee member has an interest in an item discussed that conflicts with the general interest/benefit of the organisation, they will be expected to withdraw for the discussion and will not be allowed to vote on this item.</p>	<p><i>State what the committee should do when a committee member has a personal interest in an item discussed e.g. a committee member works for a firm tendering for work.</i></p>
<p><b>10) Alterations to the Constitution</b></p> <p>Any changes to this Constitution must be agreed by at least two-thirds of those members present and voting, at any General Meeting or Special General Meeting.</p>	<p><i>You should allow a procedure for changing the constitution, including the name</i></p>
<p><b>11) Dissolution</b></p> <p>The Group may be wound up at any time if agreed by two-thirds of those members present and voting, at any General Meeting. In the event of winding up, any assets remaining after all debts have been paid shall be given to another Group with a similar aim.</p>	<p><i>State what will happen if the organisation closes down.</i></p>
<p><b>12) Adoption of the Constitution</b></p> <p>Until the first AGM takes place the persons whose names, addresses and signatures appear at the bottom of this document shall act as the Management Committee referred to in this constitution.</p>	

This Constitution was adopted on .....by

Name ..... Position .....

Print Name.....

Address .....

.....

Signed .....

This Constitution was adopted on .....by

Name ..... Position .....

Print Name.....

Address .....

.....

Signed .....

This Constitution was adopted on .....by

Name ..... Position .....

Print Name.....

Address .....

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Signed .....

## APPENDIX A – CONSTITUTION FOR SMALL GROUPS

# SMALL CHARITY CONSTITUTION

Suitable for small charities with an annual income under £5,000 that don't own a building or employ people and do not intend to register with the Charity Commission.

## 1 NAME

The charity's name is \_\_\_\_\_

## 2 THE PURPOSES OF THE CHARITY ARE:-

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## 3 TRUSTEES

The charity shall be managed by a committee of trustees who are appointed at the Annual General Meeting (AGM) of the charity.

## 4 CARRYING OUT THE PURPOSES

In order to carry out the charitable purposes, the trustees have the power to:

- (1) raise funds, receive grants and donations
- (2) apply funds to carry out the work of the charity
- (3) co-operate with and support other charities with similar purposes
- (4) do anything which is lawful and necessary to achieve the purposes

## 5 MEMBERSHIP

The charity shall have a membership. People who support the work of the charity and are aged 18 or over, can apply to the trustees to become a member. Once accepted by the trustees, membership lasts for 3 years and may be renewed. The trustees will keep an up-to-date membership list.

The trustees may remove a person's membership if they believe it is in the best interests of the charity. The member has the right to be heard by the trustees before the decision is made and can be accompanied by a friend.

## 6 ANNUAL GENERAL MEETING - AGM

- (1) The AGM must be held every year, with 14 days notice given to all members telling them what is on the agenda. Minutes must be kept of the AGM.
- (2) There must be at least \_\_\_\_ members present at the AGM.
- (3) Every member has one vote.

- (4) The trustees shall present the annual report and accounts.
- (5) Any member may stand for election as a trustee.
- (6) Members shall elect between 3 and 10 trustees to serve for the next year. They will retire at the next AGM but may stand for re-election.

## **7 TRUSTEE MEETINGS**

- (1) Trustees must hold at least 3 meetings each year. At their first meeting after the AGM they will elect a chair, treasurer and secretary. Trustees may act by majority decision.
- (2) At least 3 trustees must be present at the meeting to be able to take decisions. Minutes shall be kept for every meeting.
- (3) If trustees have a conflict of interest they must declare it and leave the meeting while this matter is being discussed or decided.
- (4) During the year, the trustees may appoint up to 2 additional trustees. They will stand down at the next AGM.
- (5) The trustees may make reasonable additional rules to help run the charity. These rules must not conflict with this constitution or the law.

## **8 MONEY AND PROPERTY**

- (1) Money and property must only be used for the charity's purposes.
- (2) Trustees must keep accounts. The most recent annual accounts can be seen by anybody on request.
- (3) Trustees cannot receive any money or property from the charity, except to refund reasonable out of pocket expenses.
- (4) Money must be held in the charity's bank account. All cheques must be signed by 2 trustees.

## **9 GENERAL MEETINGS**

If the Trustees consider it is necessary to change the constitution, or wind up the charity, they must call a General Meeting so that the membership can make the decision. Trustees must also call a General Meeting if they receive a written request from the majority of members. All members must be given 14 days notice and told the reason for the meeting. All decisions require a two thirds majority. Minutes must be kept.

- (1) **Winding up** - any money or property remaining after payment of debts must be given to a charity with similar purposes to this one.
- (2) **Changes to the Constitution** - can be made at AGMs or General Meetings. No change can be made that would make the organisation no longer a charity.
- (3) **General Meeting** - called on written request from a majority of members.
- (4) Trustees may also call a General Meeting to consult the membership

10 **SETTING UP THE CHARITY**

This constitution was adopted on \_\_\_\_\_ 20\_\_ by the people whose signatures appear below. They are the first members of the charity and will be the trustees until the AGM, which must be held within one year of this date.

**Signed**

**Print name and address**

_____	_____
_____	_____
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# LEEDS INFRASTRUCTURE CONSORTIUM RESOURCE PACK

## SECTION 1b – GOVERNANCE – SETTING UP A COMMITTEE

### ***Introduction***

This section is part of an 8-pack series of resource materials that have been produced by the Leeds Infrastructure Consortium. For further details please go to [www.leeds-ic.org.uk](http://www.leeds-ic.org.uk).

### **1. STARTING UP A COMMITTEE**

To run your group efficiently you will have to form a Management Committee (sometimes known as the Executive Committee). This is the group of people who are ultimately responsible for the running of the group/organisation. It manages the group's affairs on behalf of the members and is answerable to them.

The committee members have a responsibility to work together and to take decisions and share the responsibility for these decisions and actions. If your group/organisation becomes a registered charity, the committee members will then also become trustees of that charity. Most groups/organisations who set up do not need to have charity status as the constitution provides the recognised legal status.

The committee is drawn from members of the group and is elected by them, usually at an Annual General Meeting (AGM). They may be elected by the full membership at the AGM or by the committee at its first meeting, according to the constitution. Although the officers carry out particular jobs in the group, they have no more legal or financial responsibilities than other committee members.

The work of the committee will include:

- meeting regularly and ensuring members are kept informed of dates/venues.
- managing finances, agreeing a budget, and a fundraising strategy.
- making sure the organisation is properly insured and also stays within the law.
- managing volunteers and employees (if applicable) and ensuring appropriate policies are in place; also developing other policies, e.g. Health & Safety and Equal Opportunities monitoring and evaluating projects and activities.
- having a shared vision and agreement about why the organisation has been set-up including clear roles, responsibilities, short and long term goals.
- a willingness to work together, plan projects and set targets.
- making sure the group does what it was set up to do, has enough money, does not go into debt and is well run.

### **2. MANAGEMENT COMMITTEE MEMBERS**

The committee may also invite other people to serve on the committee (known as co-opting). They may be members of the group but can come from outside, and are generally co-opted because they have particular skills or knowledge, but do not always have voting rights (depends on what your constitution says).

A very small group may meet informally and have no elected committee. Many groups with modest aims and activities run very successfully like this. In this instance, the entire group is the 'management committee' and everyone is responsible for the group's affairs. It is usual, however, that funders will only fund groups with at least three officers on the management committee.

Although every committee member shares responsibility, this does not mean that each member has to do everything. The job of members is to ensure that someone does each task and reports back. The tasks may be done by committee members, members of the group or people from outside. The most important thing is that the committee should work together and take joint responsibility.

Most committees will include members who have special responsibilities and roles including a **Chair, Vice Chair, Secretary and Treasurer**. It is important that members who take up these roles understand their positions and the responsibility that goes with it.

### ***The Chairperson***

- Prepares the agenda and any papers for meetings (often with the Secretary)
- Chairs committee meetings and Annual General Meeting
- Has an overview of the organisation and its work
- Represents the group and speaks on its behalf
- Keeps the organisation on the right lines, supports and encourages other members and helps resolve conflict

They need to be able to: clarify, explain, lead, control, summarise, be objective and unbiased, avoid taking over, explain points and items where necessary, be prepared to alter the order of the agenda, make sure everyone has the chance to speak, discourage separate discussions, ensure that all members know what they are voting for, regularly sum up what has been decided and check that everyone is in agreement.

### ***The Secretary***

The tasks of the Secretary may include the following:

- prepare and circulate the agenda (with the Chairperson)
- provide committee members with any required information prior to the meeting
- take, write and circulate minutes
- write letters on behalf of the organisation (to be checked and signed by Chairperson) and inform the group of any correspondence received
- produce a written annual report
- ensure the organisation has adequate insurance
- book rooms, arrange meetings, receive correspondence and report to the committee
- keep a record of membership

### ***The Treasurer***

The tasks of the Treasurer may include:

- keeping accurate, up-to-date financial records and producing end-of-year accounts. This could mean arranging for an external examination of records in line with the group's constitution
- communicating with the bank and ensuring that statements are regularly received
- reconciling statements with the cash/receipt book and safely keeping cheques and mandates up-to-date
- putting a simple system in place for petty cash claims
- making sure that bills are paid promptly and all income is banked on a regular basis
- being able to give an accurate account of the group's financial position at any given time

- preparing an annual budget for the committee and reporting at the AGM on the end of year accounts
- ensuring that funds are spent in line with the group's objectives and that the money can be seen to have been used correctly
- keeping an inventory of all equipment.

Although the Treasurer is responsible for preparing a draft budget and reporting regularly, the full committee has a responsibility to: agree the budget and allocation of money; make grant applications; and chase committee members for receipts.

### 3. MEETINGS

Some people may ask why a meeting needs to be formal and structured including taking minutes. This is important for a number of reasons

- To make sure all management committee members have had the chance to discuss an issue
- To help resolve conflict and avoid confusion
- To prevent 1 or 2 people dominating the group
- To demonstrate good, democratic management

A more structured meeting allows everyone to get involved in a discussion and take a decision – by law all members are collectively responsible for what happens in the group's name.

#### ***a) Regular General Meeting***

These are the regular meetings a group has to discuss what they are doing. It is generally accepted that a management committee should meet at least 4 times a year but many meet more regularly, particularly if planning a lot of events or activities. Dates for meetings should be agreed some time ahead so everyone can get the date in their diary.

#### ***b) Annual General Meeting (AGM)***

An AGM is a yearly meeting of the group or organisation's full membership. It is a chance for everyone to hear from the people it has elected to run the organisation (the management committee). It needs to be held every year and all members need to be invited (how you define members will be agreed in your governing document). You can also invite members of the general public but only full members will be able to vote.

You need to give enough notice of your AGM (this will be stated in your governing document) – by an advert in the local paper, poster on community centre notice board or in writing, for instance.

There are some formal items that need to be on your Agenda as the AGM is the time when Management Committee members stand down and are re-elected. The agenda is thus

1. Welcome
2. Apologies
3. Approval of minutes of previous AGM
4. Matters Arising
5. Annual financial report/ annual accounts
6. Report from the Management Committee
  - a. Chair
  - b. Secretary
  - c. Other committee members
7. Election of Management Committee
8. Other Agenda items

### **c) Quorum**

A committee must be “quorate” to conduct business. This means there must be a certain number of committee members at the meeting for decisions to be made. The number of people required to make a quorum will be covered in your governing document and is usually related to the total number of people on the committee. We recommend this is at least 3 (for groups of say 8 members). If not enough people attend you should not proceed with the meeting and will need to call another one.

### **d) Agenda**

It is always useful to have an agenda for the meeting so you remember to cover all the key items. These usually follow the same format for each meeting, adding new items as sub-headings if they need to be raised at a particular meeting. An example is given below with the suggested headings in bold.

## **THE ABC GROUP**

### **Management Committee Meeting May 23<sup>rd</sup> 2011 7.00 pm The Green Community Building**

1. **Welcome, Attendance and Apologies.** You need to keep a list of who was there. If a committee member is not able to attend they need to send their apologies.
2. **Approval of minutes of the last meeting.** You need to review the minutes and make sure they are accurate. If they are correct, the Chairman should sign and date the printed minutes and then the secretary should keep a copy. If some items are inaccurate then a note needs to be made and noted in the minutes of the current meeting. The chair still signs them but with a note saying “with amendments.”
3. **Matters Arising.** If there are minor items on the previous minutes that need discussing or updating, do this now. As the agenda is the same for most meetings, many of the items can wait to be discussed under the headings below.
4. **Secretary’s report / correspondence:** an update on any letters received or other administrative matters.
5. **Treasurer’s Report.** Each meeting should have a financial update from the treasurer showing income / expenditure / bank balances.
6. **Item 1, 2, 3 etc:** this is where you discuss other key elements of your group’s work. The headings will vary according to the group but might be: forthcoming events, membership, marketing etc.
7. **Any other business.** This allows members to raise short topics that have not been discussed or raised in the meeting.
8. **Date of next meeting.** It is best practice to agree at least the next meeting, if not further in advance.

## ***Taking Minutes***

Taking minutes is an important part of the job, and can be a bit daunting when you first start. Minutes are simply notes taken during the meeting to remind you what was discussed and agreed. They are important because:

- It is useful to have a written record of the meeting, what you've decided to do and who is going to do it – memories are unreliable! This is true even if the meeting is very small and informal.
- Minutes keep members of the group who weren't able to attend a meeting informed about what went on.

Minutes need to include some key details

- Name of organisation
- Type of meeting (General Meeting, Annual General meeting)
- Date and venue
- Members present and apologies
- Other people present and in what capacity
- Then follow the agenda items and record the key discussions under each item

It is always important to take note of any actions that are agreed and who is going to do them by being as specific as possible i.e. Andy agreed to check the price of the hall and ring the treasurer by Friday.

The minutes don't need to be long or complicated, in fancy language or perfect grammar. They do need to record clearly and simply what decisions were made at the meeting and who is going to carry them out. Many groups make the mistake of writing down all the conversations that take place in a meeting but all that is really needed is the key points and the actions. No personal remarks should be included in the minutes.

An example is given below:

We started the meeting and John and Brenda started to discuss the last meeting. The minutes said that John was meant to be producing a poster but he said he was sure it was not him and, if it was him, he had not done it. He was not happy that his name had been put down as he had not offered to do it. Then Brenda said that she thought Sue had offered so they asked her and she said yes, she had done a draft and she had copies with her for people to look at. John said he was happy that it was not him.

Compare that with the following:

The minutes from the previous meeting said that John was to draft a poster but it was actually Sue. She produced a draft that people commented on.

### ***e) Term of office***

Election of management committee members is key. The length of time a member can sit on the committee is called a "term of office". This is often 1-3 years before needing to stand for re-election. When this term comes to an end they need to "stand down" but can be re-elected if they put their name forward again. The committee needs to inform the membership who is standing down and who is prepared to stand again. They should also ask the full membership if anyone else wants to stand. At the AGM all members present have the right to vote. You can decide how the votes take place – show of hands, writing voting slips etc.

# LEEDS INFRASTRUCTURE CONSORTIUM RESOURCE PACK

## SECTION 1c: GOVERNANCE – LEGAL STATUS

### **Introduction**

This section is part of an 8-pack series of resource materials that has been produced by the Leeds Infrastructure Consortium. This section, 1c, is about an organisation's legal status. For further information go to [www.leeds-ic.org.uk](http://www.leeds-ic.org.uk).

### **1. LEGAL STATUS**

Once the committee has been set up and you have decided to proceed with your plans, you need to agree your legal standing with regard to 'governance'. Voluntary organisations in England have a choice about what legal status to adopt. In the eyes of the law an organisation is either:

- an *unincorporated association* (a collection of individuals working together) **or**
- a *corporate body* (a body with separate existence from the individuals belonging to it)

In both cases the organisation may be able to claim **Charitable Status**. Charities are exempt from most forms of direct taxation, from stamp duty on legal documents and the non-domestic rates on their property are reduced by 80%. Some sources of funding are only available to registered charities. An organisation can only register as a charity if the Charity Commission accepts that its aims or purposes are charitable. For further information there is a useful guide on the Charity Commission website with further details of how to apply:

[http://www.charitycommission.gov.uk/Start\\_up\\_a\\_charity/default.aspx](http://www.charitycommission.gov.uk/Start_up_a_charity/default.aspx)

#### **Unincorporated Associations**

There are different types of legal status but for most small groups starting up, a *constitution* (set of rules) provides the appropriate legal status. Most community groups starting up begin as unincorporated associations, and may stay that way, particularly if they are small. This means that they can decide for themselves how to run the group, agreeing the aims and basic rules so that everyone is clear how it will run and be managed. The law looks on an unincorporated organisation as a collection of individuals which means it cannot in its own right:

- hold property
- enter into contracts
- take part in a law suit

Its officers and committee members have to do things as individuals. If the organisation ends up borrowing money, they can be personally liable to meet any debts from their own pockets. This is called unlimited liability. Charitable trusts, registered charities which are not also registered as companies, and unregistered voluntary and community associations (small groups) all have the legal status of an unincorporated association.

#### **Trusts**

A charitable trust is a special kind of unincorporated association, set up to administer money or property (or both), which will usually be registered with the Charity Commission. Some voluntary organisations choose to have trusts to hold property for them, or to administer large amounts of money. A trust is set up by a legal document called a trust deed. A model trust deed can be obtained free from the Charity Commission. A trust is unincorporated and trustees are personally responsible for its actions and liable if it runs into debt. There are ways of limiting this, but it is advisable to seek legal advice when the trust is set up.

### **Companies Limited by Guarantee**

A company limited by guarantee does not have shares or shareholders, and cannot distribute profits. Instead its members, who pay a subscription, are each liable for a limited sum if the company is wound up (the guarantee, usually a nominal sum of say £1). The members elect a board or a committee or directors and can remove them, but the board has day-to-day control of affairs. A limited company's rules are set out in a legal document called the Memorandum and Articles of Association. This must be carefully drafted, preferably with legal advice, because the company has no power to do anything not covered in it. Companies are regulated by Companies House under the Companies Act 1985. As a company, the organisation can hold property, employ staff and enter into contracts. If the company meets the requirements to have charitable status then it can also register as a charity with the Charity Commission. In this case, the directors of the company are also the trustees of the charity. A model *Memorandum and Articles of Association* for a charitable company can be obtained from the Charity Commission.

### **Community Interest Companies (CICs)**

A Community Interest Company is a special type of company which is set up specifically to benefit the community rather than its owners, achieved by a community interest test which must be passed before the company can be set up. The company operates in a similar way to a company limited by guarantee but the Memorandum and Articles of Association must contain certain protections. In addition, there is an *asset lock* which means that the assets and profits of the company cannot be distributed to its owners except where allowed by legislation. CICs must also file a community interest report each year. They are regulated by the CIC Regulator and further information is available on their website ([www.cicregulator.gov.uk](http://www.cicregulator.gov.uk)).

### **Industrial and Provident Societies**

These include co-operative societies for the mutual benefit of members, but also non-profit making organisations carrying out an industry, business or trade, for the benefit of the community. They must give all members an equal say in the running of the society. The society has corporate status, and can have share and loan capital, but must pay only moderate interest on any loan capital. Industrial and Provident Societies providing community benefit, are regulated by the Financial Services Authority and may be able to claim charitable status depending on their objects and the extent to which they provide public benefit. To claim the benefits of charitable status, such societies must register with the Charities Commission.

### **Charitable Incorporated Organisation (CIOs)**

This is a new legal status introduced by the Charities Act 2006. The intention is to allow organisations to have the structure of a company without the need to register with both Companies House and the Charity Commission. CIOs will be regulated by the Charity Commission, which produced guidance on setting up as a CIO in March 2011. However the statutory regulations which will set out the full legal framework for CIOs have not yet been agreed by Parliament and so it is not yet possible to register as a Charitable Incorporated Organisation.