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Email:  
[membership@trustee.net.org.uk](mailto:membership@trustee.net.org.uk)

**Tip:** At your Board meetings, consider picking out one or two key agenda items for discussion and deal with those first – to make sure you give them the time that they deserve.

## news and opinion from a trustee's perspective

### How is the new Companies Act 2006 going to affect Charitable Companies?

The new Companies Act 2006 is now in force and brings many changes to the way that charitable companies are run. Russell-Cooke Solicitors highlight important changes for trustees.

The Act aims to ease the administrative burden with which charitable companies have to comply. If you wish to take full advantage of the new rules, you must make the necessary amendments to your memorandum and articles.

What are the key changes and what should you do?

#### 1. General deregulation

The new Act aims to simplify the day to day running of charitable companies. But to take full advantage of the changes, you should consider amending your articles.

Under the new law you can:

- hold general meetings on 14 days notice
- hold general meetings on short notice if 90% of the members give their written approval
- Do away with AGMs
- Send accounts relating to a financial year ending on or after 1 October 2007 to members on or before the date they are filed at Companies House rather than having to circulate them to members before the AGM.

#### 2. Rules relating to conflicts of interest

Directors now have the power to authorise conflicts of interest. You can amend your memorandum and articles so as to give the directors power to deal with these situations. It would also be helpful to have a register of interests laid before the directors.

#### 3. Directors' duties

These duties are now statutory law and a list of factors have been produced which a director must comply with in his role. It would be a good time for you and your fellow trustees to develop trustee job descriptions that detail your role and take account of the changes in the law.

#### 4. New legal rules relating to proxies and written resolutions.

You can amend your articles so as to permit proxy voting and to enable written resolutions to be passed by 75% of the members (in the case of a special resolution) or 50% of the members (in the case of an ordinary resolution).

#### What should you do next?

Russell-Cooke Solicitors advise that you should review your memorandum and articles so that you can take account of all of these changes.

**Tip:** Try to avoid reinventing the wheel wherever possible with Board resources. Approach other organisations of similar size or aim and share policies, planning tools or procedures.

For more detail on the key changes highlighted above please see Russell-Cooke's website, and look under 'charity articles' ([www.russell-cooke.co.uk](http://www.russell-cooke.co.uk))

### **Public Benefit Guidance from the Charity Commission**

The Charity Commission has launched its new guidance on charities and public benefit.

The purpose of the guidance is to:

- Explain the requirement that, to be a charity in England and Wales, an organisation must have charitable aims that are for the public benefit;
- Raise awareness and understanding of that public benefit requirement amongst the public and the charitable sector;
- Explain how the public benefit requirement operates in practice; and
- Explain the new requirement for charity trustees to report on public benefit.

The guidance is available at <http://www.charity-commission.gov.uk/Library/publicbenefit/pdfs/publicbenefittext.pdf>, and supplementary guidance about how the public benefit requirement applies specifically to different kinds of charity will be published after further consultation.

### **New CTN Staff**

Introducing Dawn Whyndham, CTN's new Membership and Events Co-ordinator, who joined us at the start of January.

#### **Dawn, what is your background?**

I have previously worked in administrative roles in University and healthcare environments. A key aspect of these roles has been managing records and providing information and advice to students, professionals and members of the public. I have also been involved in co-ordinating and attending events.

#### **What was it that made you interested in working for CTN?**

Being able to help people involved in charitable work whilst learning about the area myself. I hope that by being involved with both the membership and events side, I will be able to gain a real insight into how to help trustees most effectively.

#### **What interesting things have you learned about charities since you started?**

How wide the scope of Charity work is  
The importance of sharing experiences  
The effects of the concerns about regulations

### **Exactly what it says on the tin – identifying charity trustees**

Neal Green, Senior Policy Advisor at the Charity Commission talks about the common situation where someone is not sure whether they are a trustee or not. Do pass this on to anyone you know who might be in this situation – it's also available in the resources section on our website.

The problem with tins is that they all look alike. We rely on labels to tell us what's in them. If the label comes off, that's a problem. You wanted beans, but you get peaches.

We rely on labels in all kinds of ways, but one place where they're little help is in working out who a charity's trustees are. They can have a variety of names such as Committee Member, Council Member, Director or Governor.

## KEEP YOUR DETAILS UP TO DATE

If you are no longer a trustee or your details have changed, log in to [www.trusteenet.org.uk](http://www.trusteenet.org.uk) to update your details.

It's over 40 years since the Charities Act 1960 defined "charity trustees" as "the persons having the general control and management of the administration of a charity". When the Charity Commission talks about charity trustees, it means the people in that role, regardless of the label. But many people still don't realise that if you are a member of the governing body of a charity, then you are a charity trustee. So how can you be sure?

Start with the charity's governing document. This is the legal document containing the rules that govern the charity. It is likely to be a trust deed, constitution (rules) or (if the charity is a company) memorandum and articles of association. This document describes the charitable purposes for which the organisation exists and should identify the group of people who have both authority and responsibility to make sure that these purposes are carried out. It's this body of people who are the charity trustees.

The kinds of activities that charity trustees are responsible for include:

- Ensuring that the charity is carrying out the purposes in its governing document
- Deciding or agreeing the charity's strategy or forward plan
- Deciding the charity's overall programme of activities
- Deciding or agreeing the annual budget
- Regularly reviewing the charity's performance against the agreed plan and budget
- Approving significant non-budgeted expenditure
- Approving key decisions such as employment of senior staff, or special projects
- Ensuring that decisions are feasible and affordable
- Overseeing day-to-day operations (for smaller charities)
- Ensuring that financial and other controls and safeguards are sufficient
- Ensuring that the charity complies with relevant legal requirements (such as charity law, health and safety, and employment law)

If you are involved in making these kinds of decisions, you are probably a charity trustee. Other people, such as senior members of staff or professional advisors, may also be involved with these decisions, but only members of the governing body should ultimately be making them. The buck stops with them so they should always have the final say.

It can also get confusing for those charities that have people called "trustees" whose constitutional role is actually very different from this. In most cases these individuals (or bodies) are only responsible for holding legal title to charity property such as land and buildings. The governing document should explain what their role is.

If you're still not sure, or if you realise this is you, and you need more advice, start by reading **The Essential Trustee** (CC3), available from the Charity Commission's website at <http://www.charity-commission.gov.uk/publications/cc3.asp> or you can always get more advice from the Commission's helpline, Charity Commission Direct on 0845 3000 218.

## Open Consultations

The following consultations are currently open. To find out more about them and take part, go to <http://www.trusteenet.org.uk/your-voice/consultations>

- Review of Financial Thresholds in the Charities Acts
- Towards a Defra Third Sector Strategy
- Ministry of Justice, Third Sector Strategy: Improving policies and

securing better public services through effective partnerships

- Strategic review of Department of Health funding of third sector organisations

### **NAVCA Trustee Conference – 19 February, Birmingham**

There are a number of subsidised places available for this event (day attendance only) for the special price of £50. They will be allocated on a first come first served basis by responding directly to Michelle Emerson, 0114 289 3957 [michelle.emerson@navca.org.uk](mailto:michelle.emerson@navca.org.uk)

This conference is about sustainability, and will explore the practical ways of ensuring the future success of local infrastructure organisation – be it developing new income streams, winning a local authority contract, strengthening financial leadership or exploring alternative organisational structures and ways of working. Although the event is run by NAVCA, trustees of any organisation are welcome to attend.

More information is available at <http://www.navca.org.uk/events/pathways.htm>

### **Participation on Board – DSC trustee conference, 14 March, London**

A conference focused on helping you look at diversity issues, find new trustees and develop better policies and practices. There are a limited number of free places for charities with an income below £250,000. Please call 08450 77 77 07 for availability. For a booking form, go to [www.dsc.org.uk/charityevents.html#board](http://www.dsc.org.uk/charityevents.html#board)

### **Ethical Investment event for trustees - 27 March, London**

Find out all you need to know about ethical and socially responsible investment, including ethical, financial and legal issues. This event is organised by the EIRIS/UKSIF Charity Project with Charity Trustee Networks and will cover:

- ethical investment - what it is and why do it
- the regulatory perspective
- financial performance
- the social, environmental and ethical issues to consider
- how to implement ethical investment
- case studies - what other charities are doing

For more information including a downloadable booking form, go to [www.charitysri.org/events.html](http://www.charitysri.org/events.html)

### **Trustee-E-Learning**

Charities suffer from a dilemma – how, on a minimal or non-existent budget, to ensure trustees get the training they need to understand their role and fulfill it effectively.

One way to solve this is to take advantage of the trustee-e-learning website. It's a free resource provided for trustees taking them through what a trustee is, roles and responsibilities and various aspects of what trustees do. Have a look at <http://trusteelearning.org/>

Suffolk Association of Voluntary Organisations (SAVO) provides this resource and they would love to hear what you think of it. Please do email your comments to [ionne.hammond@savo.co.uk](mailto:ionne.hammond@savo.co.uk)

### **Network Events in February and March**

Please go to [www.trusteenet.org.uk/events](http://www.trusteenet.org.uk/events) for more details of these events

#### **ANY OTHER BUSINESS?**

Do let us have your feedback on this e-newsletter by replying to this email. Let us know if we are getting it right or how we can improve this e-newsletter. Trustee focus goes out bi-monthly, and we want as much content as possible to be from you - we would really welcome your ideas and submissions.

This newsletter is sent to you by CTN

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If you would prefer not to receive it, please email [membership@trusteenet.org.uk](mailto:membership@trusteenet.org.uk) and you will be removed from our mailing list.

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website: [www.trusteenet.org.uk](http://www.trusteenet.org.uk)

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	<p><b>9 February</b> – Hertfordshire Trustee Conference <b>26 February</b> – Bromley Trustee Network – Managing volunteers <b>11 March</b> – BME Trustee-e-Network – Training for chairs and trustees <b>13 March</b> – Norfolk Trustee Network Conference <b>13 March</b> – Lewes District Network – 2<sup>nd</sup> meeting</p>
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