

## Community Spaces Constitutions

If you are applying for a grant from Community Spaces your group will need to have a constitution in place.

- For small or medium grants you must be constituted at stage 2 application.
- For large and flagship grants you must be constituted at stage 1 application.

If you have applied for a small or medium grant and are successful at stage 1 your Facilitator will be able to help you develop a constitution before you submit your stage 2 application.

The following is some advice and guidance on constitutions, what standard constitutions should include and what you should be doing to set one up for your organisation.

### What is a constitution?

A constitution is a written description of what an organisation is, what it does, and how it does it. It governs the way a group or organisation runs and outlines how you will deal with other people, groups and organisations.

### Why is a constitution needed?

Very often an organisation can be operating for a number of years very informally without a constitution. There may be a point at which it is recognised that the group needs to formalise itself. Examples of the types of catalyst for such a change could include – an identified need for service development, a need to work more formally with local authorities or the need to secure funding for a particular aspect of work being done.

Community Spaces requires groups to be constituted to ensure that public money is being given to a formally recognised body that has governing documents in place and can be held accountable. It is also hoped that by a group becoming constituted any project delivered will have a secure future and be better sustained.

The development of a written governing document may also help to ensure that:

- the group's aims and objectives are clear and agreed
- there is a clear process for decision making within the organisation
- the organisation gains credibility with funding bodies
- the lines of responsibility and accountability are clarified

- there is a process for formally appointing the people who run the group

## **Model constitutions**

There are a large variety of model constitutions that are designed for a range of specific purposes. Although it is useful to look at constitutions of other groups or organisations similar to yourself, your constitution needs to meet your groups' aims and objectives. What works for a similar organisation may not work for you and therefore you need to ensure that the detail in the constitution reflects what your group and its membership is about.

## **Constitutions and the Charity Commission**

Before developing a constitution it is important to think about whether the organisation will now, or at some point in the future, need to register with the Charity Commission as a charity. If this is likely to be the case then it is advisable to adapt one of the model constitutions approved by the Commission. This is because it is more difficult to develop a charitable constitution and a standard constitution may result in considerable objections or lengthening of the registration procedure with the Charity Commission. For more information please follow the link to the Charity Commissions website:

<http://www.charitycommission.gov.uk/Library/publications/pdfs/gd3textbw.pdf>

## **What your constitution should include**

Below are examples of what a constitution should include. The list provided is not exhaustive but covers the basic points needed in a constitution.

### **Name of the organisation**

The name of the group – what will your group be known as? Your name can reflect the area that you work in, what you are trying to achieve or both.

### **Aims and/or objectives**

What are the aims and purposes of the group? What geographical area does the group cover? Who is the group set up to help?

Your aims and/or objectives, are a statement of your long term goals: what you want to achieve and how you want to achieve it.

Discuss your aims and objectives with your group, this will help to ensure everyone in the group agrees on the purpose of the group and what it will be doing. If your aims are clearly written people outside your organisation can also see what your group is about.

Your aims should include information about the area you are working in and how they will benefit from the activities of the group.

## **Membership**

Who will the members of your group be? Who should be entitled to become a member of the group e.g. Do they have to live within a certain area? Is membership open to groups, individuals or both? Should people have to pay to become a member, if so how much?

In this section you should define what an individual needs to do to become a member (i.e. move into the area or fill in a membership form) and also what they need to do to stop being a member (i.e. if they move out of the area or if they don't pay the fee).

## **Management Committee**

The committee are the people that will run your group on a day to day basis. It is up to the group to decide how many people will make up the committee, what officer roles there will be (i.e. chair, treasurer, secretary, press officer etc.) and how they will be elected as well as deciding what responsibilities the committee will have, how often they will meet and how they will report to all the other members.

## **Management Committee Liability**

Depending on whether your group is incorporated (e.g. a company limited by guarantee or similar) or unincorporated (e.g. an association) members will have different levels of personal liability.

An incorporated organisation provides more protection for its members and it is usually the company, not the members that are liable. Members of incorporated organisations usually assume 'limited liability', which is usually £1. If however members of the organisation are found to have acted irresponsibly, for example in relation to negligence, fraud, wrongful trading, or breach of statutory duties the committee members can be held personally liable.

Unincorporated organisations are jointly and severally responsible for the affairs of the organisation and can therefore be held personally responsible to settle any debts or other liabilities the organisation incurs.

Provided that Management Committee members of an unincorporated organisation act honestly and reasonably they will usually be entitled to have any debts or other liabilities met out of the assets of the organisation. However, if the organisation does not have sufficient assets, then the Management Committee members may have to make good any shortfall.

All groups should seek independent advice about the role of its committee members and be clear of their responsibilities.

## **Equal opportunities**

A full equal opportunities policy is usually a separate document to the constitution. However, you may want to include a statement of your commitment to equal opportunities in your constitution as well, for example *"The group will not discriminate on the grounds of gender, race, colour, ethnic or national origin, sexuality, disability, religious or political belief, marital status or age."*

## **Meetings**

Your group should hold an Annual General Meeting (AGM) every year. The AGM is an opportunity to report back to all the members, celebrate achievements, elect or re-elect the committee and make any changes to the constitution.

As well as the AGM your group may want to hold General Meetings - for your wider membership, Committee Meetings - for the day to day running of your group, Special General Meetings - for urgent matters of discussion in between AGMs.

The constitution should state how often any meetings will be held, how and by when members will be informed and what the quorum or minimum attendance needs to be to make any decisions at the meeting.

## **Finance**

How will you deal with your money? The constitution needs to state how your group will look after, spend and report on money. You will want to state that the group will have a bank account in the name of the group and who the authorised signatories will be (there should be at least 2 independent signatories). You will also want to state how the accounts will be looked after, when and how they will be published. The group may also want to stipulate what money raised can be spent on.

## **Alterations to the Constitution**

It is good practice to review your constitution and ensure that it still fits with what your group is trying to achieve. In doing this you may find that you need to alter your constitution. Your constitution should state when and how changes can be made, i.e. at the AGM or at a Special General Meeting. It should also state how much notice members will be given about the changes and what the quorum will need to be for the changes to be agreed.

## **Dissolution**

At some stage you may decide you want to close the group down, this is called dissolution and the constitution needs to state what the agreed procedure for closing down the group is.

The constitution may say who is able to make this decision, how much notice will need to be given and what would happen to any money or assets the group has.

## **Developing your constitution**

Now that you have some ideas about what your constitution should include, here is some guidance on what you should do to develop a constitution for your group.

- Pull together a group of interested people, which could be done by calling a public meeting to establish the need for such a group. People who are interested in driving things forward are sometimes known as the steering group or the management committee.
- From the management committee, set up a working group to develop a constitution
- The working group should then present a draft constitution to the management committee.
- Management committee can at this stage put forward comments and suggestions
- Working group amends constitution and re-presents it for further amendments or for adoption
- Management committee agrees the constitution
- An agreed representative of the management committee - usually the chair person - signs and dates the constitution (the adoption of the constitution needs to be noted in the meeting minutes)
- Set up a bank account for the group in the name of your group as it appears on your constitution. The account should be in line with the details you have outlined and agreed in the constitution.
- Constitution is formally adopted at the first AGM. This meeting could double up as a formal launch of the group.
- There is no need to register with any formal bodies unless the group intends to be a Company Limited by Guarantee or a registered charity.

**Further information about constitutions and governing documents can be found at the National Association for Voluntary and Community Action (NAVCA) website: [www.navca.org.uk](http://www.navca.org.uk) or the Charity Commission website: [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)**