



Trustee Handbook

Introduction

Being a trustee is a responsibility and Charity trustees come from all walks of life, and are united by their wish to create positive change in society. The work of a trustee should be rewarding and enjoyable, and an opportunity to serve the community.

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About Action 21

Charitable Aims:

To promote the protection and preservation of the environment for the public benefit by the promotion of waste reduction, re-use, reclamation, recycling, the use of recycled products and the use of surplus. For the benefit of the inhabitants of the district of Warwick and its environs.

To also advance the education of the public in subjects related to sustainability in areas related to energy, food, and transport through practical projects.

Vision, Mission and Values

“Action 21 aims to reduce waste, promote reuse, increase knowledge and skills, and support our local communities in living more sustainably.”

Who we are

Action 21 is a local volunteer-based charity that aims to reduce the environmental impact of the Leamington and Warwick communities and raise awareness of the benefits of sustainable living. The organisation was launched as a social enterprise in 1996, in response to Agenda 21 of the 1992 Rio de Janeiro Earth Summit. In June 2010 it acquired charitable status.

What we do

Action 21 focuses on reusing donated manufactured goods such as furniture, bikes, electrical goods and other household items, thus saving them from landfill. The income from the sale of these goods is used to support and run sustainability-themed projects.

What we're aiming to achieve:

Action 21 aims to reduce waste, promote reuse, increase knowledge, and support our community in living more sustainably. We do this by sharing information, by promoting the development of sustainability-themed skills and by providing a facility which enables the public to divert useful household items from landfill.

For the environment, we aim to:

- Reduce the amount of reusable goods going to landfill
- Reduce the consumption of fossil fuels in the local area

For the local community, we aim to:

- Raise awareness around how to live more sustainably
- Provide a source of quality re-usable items at low cost
- Provide education and training opportunities related to living sustainably
- Offer group activities and volunteering opportunities designed to strengthen the local community.

For individuals, we aim to:

- Enable upskilling, thus increasing employment opportunities
- Offer a variety of volunteering opportunities to meet a wide range of personal, social and work-based motivations

- Provide a safe, friendly and rewarding volunteering experience.

Where we're based:

- **The Re-Useful Centre**, at Milverton House in Court Street, diverts tonnes of potential waste from landfill by enabling the public to donate and shop for reusable household items.
- **Victoria Arch No 4** is where the Bicycle renovation workshop is located.

Volunteering

As a volunteer-based charity, our achievements are substantially owed to the many people who have devoted their time and energy to our projects on a voluntary basis. Since Action 21's beginnings in 1996, more than 600 individuals have volunteered for us and we currently have around 50 regular volunteers.

Our achievements

Since 1996, we have run more than 50 different projects and services in the areas of food, re-use, transport and energy, which have translated into the following measurable successes:

- Over 1,550 tonnes of waste diverted from landfill (as of February 2020).

Our Mission

Sharing information, promoting the development of sustainability-themed skills and providing a facility which enables our community to divert useful items from landfill.

Our Values

- *We believe that by living sustainably we can help people to achieve a better quality of life by consuming fewer resources – doing better with less. We recognise that in order to establish services and projects which are relevant and useful within our community, it is essential to involve local people in planning and carrying out our activities. We will strive to ensure that every member of the community has an equal opportunity to take part in the process of change towards a more sustainable society. We recognise that in many cases we can achieve more by working in partnership with other organisations. We acknowledge that our volunteers, coming from the community of their own volition, and paid workers are Action 21's most valuable resource, whom we shall work to maintain and fully support.*

Current Projects

The Re-Useful Centre

Action 21's re-use shop, in Court Street accepts and sells donated goods to reduce the number of useful items going to landfill and to raise money for sustainability projects in the local community. The shop sells furniture, electrical goods, books, clothes, brick-a-brac and bicycles.

Bicycle Workshop

The bike workshop has been running for a number of years and is now situated in Victoria Business Park Arch No 4. Volunteers renovate and repair donated bicycles for resale.

Craft Club

Action 21's Craft Club runs fortnightly. Each two hour session is free to attend and offers a fun way to gain skills and knowledge. Also members of the community can come together to share, learn or teach skills.

Volunteering

Action 21 is a volunteer driven organisation and is proud to have around 50 volunteers involved - without whom we would not be able to achieve our mission. We aim to fully support our volunteers so they enjoy their time with us and feel they have made a tangible difference to a cause they care about.

Funding

All of our funding is self-generated. Having a steady stream of income ensures we do not have to rely on ever changing funding sources and can plan long term projects which directly meet our aims and aspirations.

About Charities & Trustees

What is a Charity?

Charities are organisations set up for the benefit of the community. They enjoy some tax advantages from the government. While they can in certain circumstances trade for profit, they must use any such profit for the purposes of the charity.

The legal responsibilities of charities are defined in the Charity Act 1993, amended by the Charities Act 2011. Charities in England and Wales are regulated by the Charity Commission. To qualify as a charity, an organisation has to meet strict conditions about its overall purposes, also referred to as its objects or charitable aims (see page 2). The organisation also has to be set up with a constitution or rules which meet certain conditions. These rules are usually referred to as a charity's governing document.

Action 21 was registered as a Charity on 18th June 2010 (charity number 1136450). Action 21 is an "incorporated charity". This means that Action 21 is both a Charity and a Company, registered with Companies House as a "Company Limited by Guarantee" (company number 07185413). The trustees are also Directors of the company.

What is the role of the Board of Trustees?

The Board of Trustees is the governing body of Action 21 and is responsible for ensuring that the organisation has a clear strategy, that it remains true to its original vision and that it complies with all necessary rules and legal obligations. In general trustees should:

- Contribute actively to the Board's role in giving firm strategic direction to the organisation, setting overall policy, defining goals, setting targets and evaluating performance.
- Scrutinise management to ensure that the charity is well-run and is delivering its objectives.
- Safeguard the good name and ethos of the organisation.
- Use any specific skills, knowledge or experience to help the board of Trustees reach decisions. This may involve scrutinising committee papers, leading discussion, focusing on key issues, providing advice and guidance on new initiatives or other issues.
- Take on areas of responsibility to assist the General Manager in the running and development of the charity e.g. finance, human resources, marketing and energy.

Trustees shouldn't get involved in the detailed, day-to-day running of the organisation, that's the job of the General Manager. Trustees can be seen as guardians looking out for the organisations best interests and promoting its aims to the wider world. The Trustees must act together as a group rather than as individuals, setting aside their personal interests, and giving their time to carry out their duties for no payment or gain.

Who should be a Trustee?

For a board of trustees to be effective, it needs people with a mix of skills and experiences. Therefore, Action 21 attempts to keep a balanced board by recruiting members in different ways.

People who become trustees might be:

- Volunteers or users of Action 21 services, or others with a long-standing involvement in or commitment to the organisation.
- People with experience of voluntary and community sector organisations.
- Representatives of the local community, such as local councillors.
- People with specific skills such as finance, human resources, or legal matters.
- Retired people who wish to remain active and use their experience to make a difference.

The Board of Trustees will need skills and experience in financial management, legal matters, fundraising, monitoring and evaluating performance, and specific areas of work.. It may also need experience in recruitment, human resources, public relations, marketing, IT and campaigning.

Whilst we recognise that the board needs these skills, of equal importance are board members who are representative of the local community and have an understanding of the issues faced.

We intend to carry out skills audits with the board to monitor strengths and limitations in regard to the different areas of knowledge and experience required to effectively direct Action 21.

Training can be provided to ensure all trustees are able to fully participate in their role.

Legal Responsibilities and Liabilities of Trustees

It is extremely rare for a trustee to be made "personally liable". Generally the law protects trustees who have acted reasonably and trustees can take their own measures to reduce the risk still further.

The following provides a more comprehensive overview of the legal responsibilities of trustees as outlined by the Charity Commission

Compliance – Trustees must:

- Ensure that the charity complies with charity law, and with the requirements of the Charity Commission as regulator; in particular ensure that the charity prepares reports on what it has achieved and annual returns and accounts as required by law.
- Ensure that the charity does not breach any of the requirements or rules set out in its governing document and that it remains true to the charitable purpose and objects set out.
- Comply with the requirements of other legislation and other regulators (if any) which govern the activities of the charity.
- Act with integrity to avoid any personal conflicts of interest or misuse of charity funds or assets.

Duty of prudence – Trustees must:

- Ensure that the charity is and will remain solvent.
- Use charitable funds and assets reasonably, and only in furtherance of the charity's objects.
- Avoid undertaking activities that might place the charity's endowment, funds, assets or reputation at undue risk.
- Take special care when investing the funds of the charity, or borrowing funds for the charity.

Duty of care – Trustees must:

- Use reasonable care and skill in their work as trustees, using their personal skills and experience as needed to ensure that the charity is well-run and efficient.
- Consider getting external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

If things go wrong

The Charity Commission offers information and advice to charities on both legal requirements and best practice to help them operate as effectively as possible and to prevent problems arising. In the few cases where serious problems have occurred they have wide powers to look into them and put things right. Trustees may also be personally liable for any debts or losses that the charity faces as a result. This will depend on the circumstances and the type of governing document for the charity. However, personal liability of this kind is rare, and trustees who have followed the requirements on this page will generally be protected.

What does liability mean in practice?

The following provides a bit more detail and specific examples on the liabilities that trustees hold.

Contractual Liability

Many charities need to enter into contracts in order to carry out their work. Most commonly, charities enter into contracts with suppliers of goods or services. This can range from an agreement with a local shop to photocopy the charity's newsletter to a multi-million pound contract for the purchase or construction of new premises for the charity. If the charity is an incorporated charity - a charitable company (as Action 21 is) - then the contract is between the charity, as a legal entity in its own right, and the supplier. Since it is the charity, and not its trustees personally, who are party to the contract the trustees have no personal liability under the contract. (That said, directors of a company may be ordered by the Court to contribute to the company's assets in some circumstances if the company continues to trade after it has become reasonably clear that the company is heading for insolvency).

Liability for breach of trust

All trustees must administer their charity in accordance with the terms of its governing document (ie its constitution, trust deed, or memorandum and articles) and with the requirements of charity law. A charity's governing document sets out the charity's objects and powers that the trustees can exercise in pursuing those objects. A breach of trust occurs when trustees act in a way that is contrary to the terms of their governing document, or when they fail to perform their duties as trustees. Using the charity's resources for some purpose not within the charity's objects (what it has been set up to do) is a breach of trust as is, for instance, investing the charity's money in a type of investment not permitted under the investment rules applying to the charity.

When trustees commit a breach of trust which results in some financial loss to the charity, they become liable to make good that loss.

Trustees who are familiar with the contents of their charity's governing document, and who have acquired a reasonable knowledge of the law as it applies to their charity, are very unlikely to commit a breach of trust. Trustees can reduce the likelihood even further by taking and following professional advice or consulting The Charity Commission on any point on which they are unsure. In the last resort, the Court is able to excuse a trustee from liability if it is satisfied that he or she acted honestly and reasonably and ought fairly to be excused.

Other types of liability

Charities are no different from other organisations in the duty of care owed to their employees and to members of the public visiting the charity's premises. Charities that employ staff are required by law to have employer's liability insurance, and charity vehicles must be insured in accordance with the legal requirements.

Trustees have a duty to safeguard the property of their charity, and it is important that they insure it adequately. If they do not do so, and the property is lost or devalued, the trustees may be personally liable for the loss.

How does liability relate to Trustees' terms of office?

Normally the Charity Commission expects new trustees to assume responsibility for decisions made by the Board of Trustees in the past. However, new trustees do not have to assume responsibility for past breaches of the charity's trusts. If new trustees discover, on assuming office, that the Charity is currently acting in breach of trust, they must take steps to remedy the situation or else they too will become liable for the breach.

Trustees do not cease to be liable for any breaches of trust upon retirement or resignation. You will remain liable for any breaches of trust committed during your term of office. This means that if the Charity Commission instigates an enquiry into the activities of a charity during 1990 and judges that, for example, the trustees spent some of the Charity's assets on activities outside their charitable objects, then they could require the people who were trustees in 1990 to repay to the Charity the sum judged to have been misspent.

Can Trustees limit their liability by distancing themselves from decisions?

If you are in disagreement with your committee over an issue and are concerned about your liability, you should dissociate yourself from the decision. Make sure your disagreement is minuted. Trustees are judged to act jointly, however, so it could be argued that your continued membership of the board will not remove your liability, in which case you may need to consider resignation.

Responsibilities of Company Directors

Action 21 is both a charity and a "company limited by guarantee". All trustees are directors of the company. Companies limited by guarantee are legal entities in their own right, and have "limited liability". Limited liability gives the owners of the company protection if the company fails. If the company is put into liquidation, the owners of the company (ie. our directors) will only be required to pay what they have already paid, or agreed to pay, towards settling its debts.

Action 21's Memorandum of Association limits the liability of its Directors, in the event of the company being wound up, to £1.

A private limited company must have at least one Director and a Company Secretary. The Directors must manage the company's affairs in accordance with its articles of association and the law.

Anyone is able to become a Company Director, providing that they have not been disqualified by a court from acting as a company director, and that they are not an undischarged bankrupt.

Every company director has a personal responsibility to ensure that statutory documents are delivered to the Company Registrar (at Companies House) as and when required by law. In particular, these include:

- Accounts
- Annual returns
- Notice of change of directors or secretaries, or in their particulars
- Notice of change of registered office.

Action 21's Governance Structure: Delegation & Accountability

What is Governance?

For a Charity such as Action 21 that delegates operations to staff, the role of the trustee is to ensure that the organisation is well managed, not to manage it themselves.

It is important to distinguish from the outset the governance matters that trustees must deal with personally, and the day to day management and operational matters that could be delegated to staff. If this distinction is made, it helps the trustees to remember their duty to guard the Charity's long term future as well as deal with short term crisis. As organisations develop and grow, it makes it easier for trustees to free themselves from having to deal with matters that could be delegated to staff, so that they can focus on governance. If the role between governance and operational matters is not clearly defined, the role of the board will need to be reassessed from time to time as organisations develop.

Governance is about leadership and direction, it is about ensuring that the Charity has a clear shared vision of its purpose, what it is aiming to achieve and how in broad terms it will go about it, and that it maintains its sense of urgency about its work. Trustees must set clear aims and objectives, establish priorities, safeguard the charity's assets (money, property, equipment and human resources) and use them effectively and exclusively for the benefit of those the Charity exists to help. Where day to day management and operations are delegated to staff or volunteers; the board remains responsible for supervising the Manager; and ensuring that the organisation is being well managed; and operating within agreed policies; the law; and its budget.

Specific Trustee Roles

There are a number of specific roles that trustees can take on:

Chair of the Board of Trustees

The role of the Chair of the Board of Trustees is to chair the meetings of the Board meetings. The chair will have supervision sessions with the Manager providing guidance and leadership where required.

Honorary Treasurer

The Treasurer will be responsible for monitoring budget control, cash flow management, financial management and legal obligations.

The Company Secretary

Specialism roles

Other roles fall into areas such as Human Resources, Sustainability, Law, Re-use, Retail and Marketing.

How are decisions made?

Regular meetings of the Board are held to monitor progress and to decide business issues. There must be a Quorum of three members, and the Chair (or a member appointed by the Chair) is responsible for the procedure of the meeting. Minutes are taken of the meetings, recording any decisions made. Questions arising at any meeting are decided by a majority vote.