



Northern Ireland
Assembly

Committee for Communities

OFFICIAL REPORT (Hansard)

Charities Bill: Rural Community Network

23 September 2021

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Ms Paula Bradley (Chairperson)
Mr Andy Allen
Mr Mark Durkan
Mr Paul Frew
Ms Áine Murphy

Witnesses:

Mr Aidan Campbell Rural Community Network

The Chairperson (Ms P Bradley): I offer a warm welcome to Aidan Campbell. We are glad to have you with us. Can you go ahead and brief the Committee?

Mr Aidan Campbell (Rural Community Network): Thanks very much, Chair, for the invitation to the Committee to give evidence on the Charities Bill.

I will, first, say a wee bit about Rural Community Network (RCN) for those who do not know us. Rural Community Network is a regional voluntary network established in 1991 by local community organisations to articulate the voice of rural communities on issues relating to poverty, disadvantage, equality, social exclusion and community development. RCN has over 250 members across rural Northern Ireland. One of our key roles is to provide governance advice and support to our members. We do that through hosting training courses and workshops and providing one-to-one advice to our members. RCN is a helper group designated by the Charity Commission to support groups that are going through the charity registration process.

A caveat to what I will say is that our evidence is about the issues that we want to see the Bill address and the outcomes that we hope to see for our members, rather than the technicalities of the wording of the Bill. Going through the clauses and wording is complicated, and we are not experts, by any means, on how legislation is framed.

RCN supports the concept of charity registration and an independent Charity Commission. We believe that an up-to-date, comprehensive register of charities that is publicly available and an independent regulator promote transparency and increase public confidence in charities.

We welcome the intention of the Bill to make lawful the majority of decisions taken by commission staff. Most small charities, especially the ones that we work with in rural communities, are run by volunteers. They do not have any staff support and would not wish to go through the charity registration process a second time. Any decisions still subject to ongoing legal proceedings should not be subject to the clause but should protect individuals' rights.

The clauses setting out the power to delegate or the scheme of delegation should allow commission staff to operate effectively and efficiently. We hope that that will allow charities to receive timely information and decisions from the commission.

RCN welcomes the power to introduce a registration threshold using regulations. Many smaller charities staffed by volunteers found the charity registration process onerous and needed the support of helper groups to navigate the process. The requirement that the registration process be carried out online was a barrier to older trustees and trustees in rural areas who are unable or struggle to access broadband. The annual reporting process can be onerous for smaller charities and is, in our view, disproportionate to the level of risk of inappropriate use of funds raised. The Department should also issue any detailed exemption regulations for full public consultation so that any issues related to the specifying of charity income or assets can be aired.

Those are the highlights of our submission to the Committee. I will stop there and open it up for any questions or discussion.

The Chairperson (Ms P Bradley): That is grand, Aidan. Thank you. We really welcome you with us.

We had the Northern Ireland Council for Voluntary Action (NICVA) in earlier, and I asked about smaller charities. You said that you support clause 3 regarding the powers to set a registration threshold. Last week, the Committee heard about the legislation in Scotland, where all charities are required to register but they have different rules on reporting and those rules are not as onerous for smaller charities. You said that a lot of the charities that you represent are smaller and volunteer-led. What are your views on all charities having to be registered, even if the smaller ones do not have to go through the same rigorous form-filling as the larger ones?

Mr Campbell: We gave our views to the independent review of charity regulation earlier in the year. We suggested that a de minimis threshold should be brought in so that small charities do not need to register if their income or assets are below a certain level. Lots of our members are small, area-based charities that do work in their area. They raise funds largely in their own community, are largely accountable to their own community and know most of the people in their area. The risk of anything going wrong is low. In our view, therefore, there should be a de minimis exception for very small charities that are run by volunteers. If the Committee, other stakeholders, the Department and the Minister take the view that all charities should be registered, I suppose that people could live with that, if the registration were a one-off process and they were then exempted from the reporting.

We were also part of the project that Denise spoke about to support groups that were in default on their reporting to the Charity Commission's website. We gave them support to upload accounts or documents and get those up to date on the website. However, like Denise, we found that some of those groups then went back into default. In our view, for some of the smaller charities, the reporting requirements are disproportionate to the level of risk.

The Chairperson (Ms P Bradley): Absolutely. Some small charities are raising funds for local issues, and it seems rather onerous to put that level of reporting requirement on them.

You also mentioned the 42-day appeal period. Talk that out with us. Why does that 42-day period not work for you with the charities that you represent in a rural community?

Mr Campbell: We are thinking of our member groups, the vast majority of which have no paid staff and are run by volunteers. Most rural community groups have a core team of four or five officers on their committee. Those people are probably the most active and do the majority of the work on governance and ensuring that meetings happen. The key roles in volunteer charities are the chairperson, the treasurer and the secretary. Even allowing for that, most of those officers will not want to take decisions other than at monthly meetings. A lot of small volunteer groups are run on the basis of a monthly meeting, which is their main decision-making forum. Those 42 days can go by pretty quickly if you allow for correspondence coming in and there being, say, three weeks before a meeting of the charity or if information or requests come in from the Charity Commission, the next meeting is three weeks later and officers have to gather documentation or see a solicitor. We suggest three months. That would give smaller, voluntary-based charities a bit of extra time to respond to the commission.

The Chairperson (Ms P Bradley): That makes perfect sense, especially in the case of smaller charities that may meet only once a month. If you need to seek legal advice and stuff like that, 42 days certainly does not seem like a great amount of time.

Do members have any questions?

Mr Allen: I have two quick questions, Aidan. The first is in relation to the registration threshold; it is the one that I asked NICVA. What do you feel would be an appropriate threshold?

Mr Campbell: Andy, in our submission to the independent review earlier in the year, we suggested an income threshold of £10,000 per annum, because we know from our work with our member groups that lots of charities have less than £10,000 income per year; that was the rationale behind us asking for that. Again, a full public consultation will probably be needed on all those issues: where a threshold might sit, what level of assets or income is appropriate and what that will mean for the registration and reporting requirements. Our view is that that should be given a full public airing. I know that that will probably cause a delay, and we are concerned with ensuring that this does not drag on for years and years and is expedited as quickly as possible. However, it may be an idea for the Department to go out to public consultation on where the threshold should sit.

Mr Allen: No problem. I appreciate that, Aidan.

I am interested in what you said about supporting other smaller charities with their annual reporting. Is there any particular aspect that, you feel, those organisations struggle with? Is it just the internet element of it, or is there another issue?

Mr Campbell: As we know, the broadband issue in rural communities is difficult. In lots of rural communities, we find that there is an older age profile of volunteers and officers on charity committees, and, sometimes, they struggle with that. Another thing that we have found with our member groups is that new charities that have gone on to the register think that, once they are registered, that is it. They may not realise that there are additional reporting requirements until the Charity Commission contacts them to tell them that they are in default. We have tried to raise awareness amongst those groups, especially the smaller charities. They have the impression that they need audited accounts and a fancy set of accounts to satisfy that requirement. However, in reality, all that small charities really need is for their accounts to have been looked over by someone who is deemed to have knowledge and experience; it does not have to be an accountant, if it is a small charity with a small income. It is about raising awareness that, if you are a small charity, it is not necessarily about having audited accounts. We, along with NICVA and other organisations in the community and voluntary sector, have been trying to reassure groups about that. It is about trying to get the message out there that you do not necessarily need audited accounts, as long as they have been signed off by an approved person. The terminology in the legislation refers to someone who is deemed "competent".

Mr Allen: In many cases, the independent examiner's report, rather than a full audit, is what is required.

Mr Campbell: Yes.

Mr Allen: No problem. That is everything from me.

Mr Frew: Thanks very much for the presentation, Aidan. I am sorry that I am coming to it cold. My questions may be stupid, but I will ask them anyway.

Clause 3 creates the ability to bring in regulations later. Where will the Bill coming into force leave charities in relation to clause 3? What will be the interim or vacuum period before regulations are brought into play? Both at the minute and when the Bill becomes law, what is expected of small charities in relation to registering and reporting? I see a difference between those.

Mr Campbell: Sorry, Paul. I missed some of your question. You were cutting out.

Mr Frew: I refer to clause 3 and the ability to bring in regulations on thresholds and exemptions. What will the time period or vacuum look like between the Bill getting Royal Assent and becoming law next year and the ability to bring in regulations around thresholds and exemptions?

Mr Campbell: My understanding, Paul, of our reading of the legislation is that, when this becomes law, the Department will need to talk to the commission about bringing in a threshold. I do not know how long that will take. How many charities will be called forward for registration in that period? I do not know whether, after the back and forward between the commission and the Department on setting a *[Inaudible]* for the de minimis threshold — the different thresholds of income and assets — they will decide to go to public consultation on that. Generally, that lasts 12 weeks, and then, depending on the number of consultation responses, you could be looking at another nine months or longer. It could be the back end of next year or longer before any de minimis threshold is set and we get regulations. That is my reading of how that would come in, unless it can be put —.

Mr Frew: I suspect that you are being optimistic there with regard to the regulations being laid. What does it look like now? What does a small charity have to do now on registration and reporting? That will be the status quo, even with this.

Mr Campbell: At the minute, if a small volunteer-led charity is called forward for charity registration, some of them will be able to deal with that process. They may initially find it daunting, but, with a bit of support online and a few telephone calls or emails back and forward, they will be able to get through that process themselves, hopefully within about two or three months, maybe about three months. The last one that I worked on was a couple of years back. The person who usually does that work in our organisation — Conor — was not available to come to the briefing today. That one was about a three-month process back and forward, and it was not particularly onerous. The Charity Commission generally works with volunteer-led groups. It will give them extra time, if needed, so it is very accommodating and understands the circumstances that volunteer-led groups work with. That is the sort of time that it takes to get registered. Once groups can be supported to upload documents, keeping that up to date is the issue for a lot of those groups.

Mr Frew: Do you know how many charities are called forward per year?

Mr Campbell: No, I do not know that information off the top of my head. I was looking the other day, and I think that there are about 6,500 on the register. As it sits, they are registered. I do not know how many more are to be called. I remember a conversation at the time that the commission was being established and was bringing forward the first batch of charities. There was a deemed list at that time, and the ballpark figure on that list was 12,000 charities. Not all those charities were necessarily still active. The commission suspected that lots of them were in name only and that they had been set up and gone dormant. At that time, the expectation was that some of those charities would be called forward and it would be found that they were not active any more and would not be going forward for registration.

Mr Frew: OK. Thank you very much.

Mr Allen: Aidan, your presentation is clear about the support provided across the wider sector. Do you feel that the support coming from the Department is adequate to support those smaller charities and to fund organisations such as yours to help to navigate them through the requirements?

Mr Campbell: Andy, we are no longer a helper group; other groups out there do that role. We stopped doing it. We had done it voluntarily since the Charity Commission was established. A group of network support organisations had been doing the helper group role. It was work on top of what we were doing. We got some support from the Department for the project that Denise talked about earlier to support small charities that are in default to get their documentation in order. We were supported on that.

As Denise said in her presentation, although documents are up on the Charity Commission website and accounts are being uploaded, the Charity Commission is not necessarily checking that. At least there is a paper trail and there is transparency for members of the public if they have a concern. They can look up the charity register; they can check what documentation is up there and whether the latest accounts have been uploaded. They can see who the charity's contact people are, what its area of operation is and what its objectives are. The Charity Commission does not have the resources — nor does it pretend to — to check the documentation from uploading accounts that comes in from thousands of charities every year. It is there as a paper trail, but the Charity Commission does not have the resources to check up on all the information that it receives yearly.

Mr Allen: I appreciate that. As you said, members of the public and those in funding bodies often go in and check the independently examined accounts, and that provides that degree of assurance for them on funding or wider public transparency and openness around charities.

On the key point, do you feel that there could be more support for the sector in helping trustees to better understand their role and responsibility? I know that fantastic work goes on, but do you feel that that could be enhanced?

Mr Campbell: Governance is probably a boring topic. It is not very innovative or a buzz. Teaching people how to run a charity by explaining the roles of a chair, treasurer and secretary is bread-and-butter stuff. With volunteer charities and volunteer community groups, it is work that needs to be done constantly. As you know, people have busy lives. People's lives change. As people have kids or start to have older parents who have care needs, they have to step away from charity boards and do something else. Therefore, the idea of succession planning is important. It is ongoing, and it needs to be done as new people and new cohorts of people come on to charities all the time and as new issues come up. To us, the idea of succession planning is an ongoing process. Certainly in rural communities, we are trying to work on encouraging younger people to get involved, because, as I said, there is an older cohort of people who are involved in charity boards in rural communities, and we are trying to support some of those people to step away and hand over in a sustainable way to new people in their area, bringing in new blood and new ideas. We think that the ongoing skilling up — ensuring that people have the skills, know what their roles and responsibilities are in running the charity, know what good practice is and share ideas and network with other charities across Northern Ireland and further afield — is important and is bread-and-butter work that needs to be done and supported.

Mr Allen: Absolutely. The roles and responsibilities are onerous at times, as, I am sure, you are only too aware.

Let us say that a charity trustee comes forward: where would you point them to for that training support?

Mr Campbell: Our organisation offers support. We can do training with individual boards or with a whole charity. We can do sessions with them around good governance. NICVA certainly does that for its members. In rural areas, we have a network of rural support networks. They are all Charity Commission helper groups and offer governance support to their members in rural communities. There is a range of organisations that can offer that support. It is about making sure that we are up to date and offer support and information that is credible, relevant and accessible to people.

People are motivated to join a charity because they want to get involved. They see a need in their area or community and want to address it, be it with older people or children and young people or around the environment, housing or whatever. Whatever the need is in their area, there are so many good people getting involved in trying to make life better in the community. That is their key motivation. However, this is the boring part of it: people do not get involved in charities to go to committee meetings, but, eventually, that is what you find yourself doing, the longer you are involved. As I said, the bread-and-butter work is the training and renewal of charity boards that is ongoing, while we have charities and community groups addressing need in communities.

Mr Allen: Totally. Thanks, Aidan. Chair, I know that that aspect is outside the scope of the session, but it is important and valid.

The Chairperson (Ms P Bradley): That is fair enough. Thanks, Andy.

No other member has indicated that they want to ask a question, so thank you, Aidan, for briefing us.

Mr Campbell: Thanks, Chair and members.