



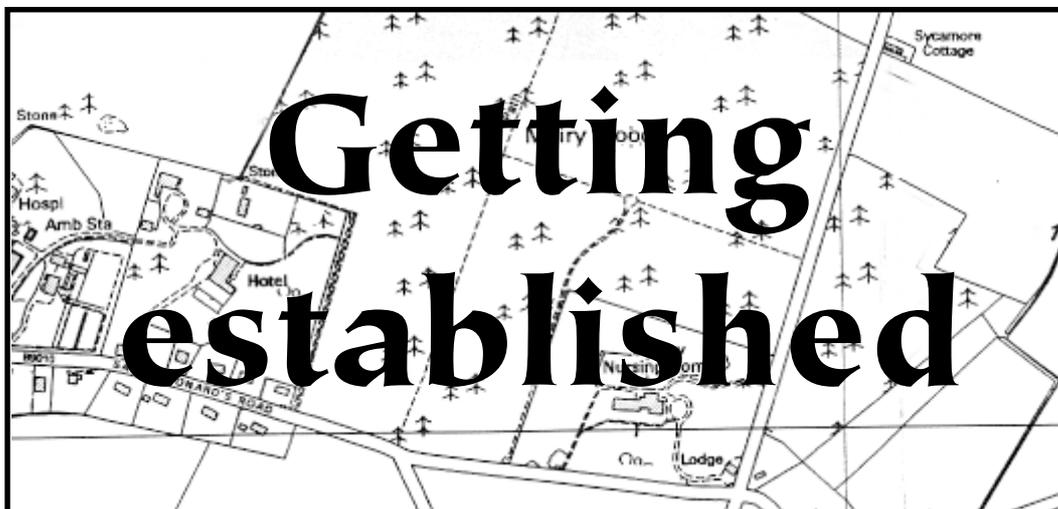
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Information
Sheet 1

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A community woodland, by definition, is one in which some kind of community has a significant say in the way the woodland is managed, whether they own it or not. It is unlikely to be practical for all members of the community to be fully involved in all the decisions that will have to be made - you will therefore need some kind of representative group.

The very simplest scenario might be the election, possibly on an annual basis, of some kind of unconstituted steering, liaison or management group. This is only likely to work for a relatively small community with a high element of mutual trust and respect, or one that is involved in some kind of simple co-management.

Other options might be simply to attach these responsibilities in the short or long term to an existing group, such as a community council, a school or a crofters group.

Once money, grants, property and land become involved, a legally constituted representative group should be established. This will be necessary to access most types of grants and will give your group proper identity, protection, credibility and continuity.

The **constitution** is a legal document that describes how your group is to be run. It should at least: define clearly agreed aims, provide a structure for making decisions and clarify liabilities and responsibilities. It should be able to stand you in good stead during difficult periods, provide a basis for working with others, allow you to open a bank account, and give credibility to your fundraising. It is essential, if you intend to become a charity.

Drawing up a constitution should be a useful rather than onerous experience, helping you to clarify between yourselves exactly what you want to do and why. Keep the language as simple as possible. It is possible to obtain 'ready made' constitutions, or models for adaptation. See Resources Section.

It will be important that the managing group is constituted in a way that provides a democratic vehicle for the wishes of all members of the community - how they relate to the group should also be considered.

There is a range of constitutional possibilities - selecting what is right for your community will depend on your relationship to the wood (e.g. whether you are owners or co-managers) and your collective desires and vision. If you are unsure what would be an appropriate kind of organisation, and how your group ought to be constituted, take a little time to find out about other community woodlands which appear to be similar cases to yours. Find out what kinds of structures and constitutions they have and, if possible, ask them why they made that particular decision and whether, in hindsight, they feel it was the right one. Reforesting Scotland can put you in touch with other groups who are willing to help.

Unincorporated organisations

The main problem with unincorporated organisations is that they do not provide 'limited liability' i.e. if things go badly wrong financially, debts may have to be met from members' private resources. There are three types of official

unincorporated organisations, which may be useful for smaller groups starting out.:

Association: This is the simplest and most common type. It is easy and cheap to set up and run. It offers a democratic structure, but it cannot hold property in its own name and all members may be held liable for debts. This could be a suitable option for a small group that doesn't own its own woodland and has a small budget.

Trust: A trust can be set up quickly and fairly cheaply, but it may be a good idea to obtain legal advice. In a Trust, land and other property can be held and managed for clearly defined purposes. The trustees are normally liable for debts and stay in position until they resign. However election procedures and other democratic elements can be incorporated. This could suit a small group that wants to own a woodland.

Cooperatives, friendly societies and mutual organisations: Few voluntary organisations use these structures as they are only appropriate in certain situations. There are more rules but there is access to arbitration in cases of dispute.

Incorporated organisations

Incorporated organisations have a clear legal identity, separate from their members. There are two relevant types: Company Limited by Guarantee and Industrial

Provident Society (IPS). It is easier to register a company limited by guarantee but there are more requirements. Industrial Provident Societies are less common and less well understood. It is possible to convert from one to the other.

A Company Limited by Guarantee is governed by the Companies Act. It has a written



constitution and does not have shares. It can make profits but these cannot be distributed amongst members - they have to be re-invested in the company. Directors are not personally liable for debts, as long as they have not been negligent.

The company owns the estate and any other assets. All members have one vote, and among other things, vote Directors on to the Board.

The Community needs to decide whether to limit membership. Some organisations (including the FC) require organisations with which they have management agreements, to have open membership. The membership subscription can be as much or as little as the organisation decides.

A Company Limited by Shares is similar to a Company Limited by Guarantee. The main difference is that members are shareholders – they purchase shares in the company. Their liability is limited to the value of the shares purchased. Profits can be distributed among the members. Because of this, they are not really suitable for voluntary bodies like Community Woodland Groups.

An IPS also has a separate legal identity and is most commonly used by housing associations and credit unions. There are standard rules that can only be deviated from with difficulty. Seven people are required to form an IPS. More details on legal structures for organisations are given in the two SCVO publications listed in the Resources Section.

Charitable status

All the organisations listed above, both unincorporated and incorporated, can become charities and thereby become eligible to apply to charitable trusts for funding. Being a charity also increases your group's attractiveness to potential donors. You will be exempt from paying tax on bank deposit interest, rent from property or income from investments. You can also recover income tax paid on donations made under deed of covenant or Gift Aid.

You cannot register a charity in Scotland but you can apply to the Inland Revenue for recognition as a charity for tax purposes. If the application is successful, the body can then

call itself a Scottish charity and will be given a charity number. It can take several months to become registered as a charity. Charities must exist solely for the benefit of the public. There are four categories:

- for the relief of poverty
- for the advancement of education
- for the advancement of religion
- for other purposes beneficial to the community

Limited companies which distribute a profit to their members are not eligible for charitable status.

Your committee

You are quite likely to have started with a small group of enthusiasts. It is very important that committee members are committed and enthusiastic particularly in the initial stages. Once you become legally constituted, the committee or trust should be formally elected. This will usually take place at a meeting open to the whole community. People standing for election are usually put forward by a proposer and seconder. The skill is to ensure that the people put forward are people who will be really useful to the project rather than those who make a habit of joining committees - you may need to do some researching and persuading.

As well as enthusiasm, it is helpful to have a range of appropriate skills on board including, for instance, people who have a good knowledge of woodlands, business management, or finances - even if some of these have to be brought in from outside the local area. It may also be helpful to include someone who is

influential or has good standing in the business community, the community council or the local authority.

It doesn't matter what you call your committee and the people who form it, as long as its function and their roles are clearly set down. You will have to have a treasurer who manages the money, a secretary to take the minutes and someone who chairs the meetings - though this can rotate. A company is also required to have a Company Secretary, who is responsible for ensuring the legal obligations of the company are met.

Members

It is up to you to decide who your committee represents and how they relate to it. Do you



want paid up "members"? Do you want everyone to feel included whether or not they are members? What would members get for their subscription? (usually a newsletter, information about events, and regular requests for money!). It can be useful in terms of support and funding to have a wider community of interested people. Those outside the geographic

community (e.g. tourists who have visited the woodland) could be differentiated by being "Friends of" or Associate Members.

Sub groups

If you have a large woodland, or a complicated management structure, or a community with very diverse skills and interests, you may want to set up sub-committees (e.g. schools liaison, woodland crafts, habitat management). They should report to the main committee on prearranged dates.

Financial matters

Handling your finance properly is crucial - this is where groups are most likely to come unstuck. You will need some understanding of the potential pitfalls and statutory obligations.

Your accounts must be properly kept, and all income and expenditure properly recorded and handled. If possible, the person responsible for this should be someone who is paid to do it, and so has an incentive to keep things running properly. (See also Information Sheet No 5 - Action Plans and Shell Better Britain Campaign leaflet 45 - Managing your group's money).

How to run a good meeting

Meetings are a fact of life. They can be boring, badly organised and inconclusive. They can also be very effective in building consensus and moving things on. The following checklist should help:

Notice: Your constitution may specify how long in advance you have to inform members about a meeting. In any case, give people at least a few weeks notice.

Planning: Before the meeting, think about what needs to be discussed and what decisions have to be made.

Agenda: A list of items to be discussed with a note of where decisions are needed. The agenda should have an input from several people.

Information: It may be necessary to do some research before the meeting. Background papers should be distributed beforehand.

Management: Deal with everything on the agenda and take the most important items first. Make clear decisions and write them down. Give everyone a chance to contribute and encourage them to keep to the subject. Make sure difficult behaviour doesn't disrupt the meeting. Keep the meeting moving along so that you finish on time.

Record: Either take minutes or make a note of action points to record what has been decided, why and who will do what.

Re-cap: Go over the action points in case anything is forgotten or misunderstood.

Action: After the meeting, circulate the minutes or action points to the relevant people in good time.

Follow-up: Make sure the action takes place and tell people what happens as a result. Report this to future meetings.

There are two critical roles at any meeting - the Chair and the Recorder - and it's best if they are two different people. The chair manages the meeting. The recorder takes the minutes or makes a note of action points.

Try to avoid distractions; get exclusive use of the meeting space if possible (put answering machines on!). Breaks are important but should be with the consensus of the meeting and shouldn't overrun.

Reforestation Scotland and other groups try to practise consensus decision making at their meetings. It may take longer to reach a consensus but the process can be empowering and everyone goes away feeling that it is their decision and not one imposed on them by a vote. Of course, voting, especially to test the mood of the meeting, can be a useful tool.

Managing a community woodland should be a pleasant and fulfilling experience. Make sure your meetings are well-organised. Hold them just as often as you need to and no more.

Resources Section

Help on constitutions and on setting up and running voluntary organisations can be obtained from Local Authority **Agenda 21 officers, or community development workers**. Contact through your local council.

Reforestation Scotland has copies of constitutions, as well as other information, which can be supplied on request. RS also publishes the Community Woodland Directory, with information about Community Woodland Group structures.

The Directory of Social Change, 24 St Stephen's Way, London NW1 2DP. Tel: 0207 209 5151 www.dsc.org.uk
Publishes a range of books

providing advice on organising voluntary organisations.

Scottish Council for Voluntary Organisations, Mansfield Traquair Centre, 15 Mansfield Place, Edinburgh EH6 6BB. Tel: 0131 556 3882 www.scvo.org.uk

Provides a lot of useful advice, including publications such as *The Essential Advice and Information Manual for Scottish Voluntary Organisations*.

SCVO's *Guide to Constitutions for Charitable Organisations* will soon be available on the SCVO website.

Shell Better Britain Campaign, King Edward

House, 135A New Street, Birmingham B2 4QJ. Tel: 0121 248 5900. www.sbbc.co.uk
Publish a range of advice and guidance in a set of leaflets.

Charitable Status

In Scotland you apply to the Inland Revenue to be registered for charitable status for tax purposes: Inland Revenue Charities (Scotland), Meldrum House, 15 Drumsheugh Gardens, Edinburgh EH3 7UL. Tel: 0131 777 4000

Supervision and regulation of charities is carried out by **The Scottish Charities Office** (a division of the Crown Office) 25 Chambers Street, Edinburgh EH1 1LA. Tel: 0131 226 2626