



CLASHINDARROCH WINDFARM

Community Fund

Report on Consultation & Recommendations

Prepared by SAOS Ltd, November 2005

Introduction, conclusions and recommendations

- a) The proposed Clashindarroch wind farm being developed by AMEC could affect a number of communities. This is recognised by AMEC and they are offering benefits in the form of an annual fund to the communities to spend on suitable projects. It is important that people in the area are happy that the fund will be distributed equitably and fairly between the communities, and on projects that provide real and lasting benefit.
- b) SAOS, the consultancy that develops and supports rural co-operatives, proposed and was commissioned by AMEC to undertake a consultation exercise. SAOS consulted the communities involved to identify a suitable organisation that most closely meets their needs and indicate their initial priorities for such a community fund and any concerns they have. In total, 78 residents attended the consultation meetings and 42 provided written responses.
- c) There were number of concerns raised about the fund itself concerning its scope and size. Seven respondents were clearly uneasy about taking part in the consultation, concerned that it provides tacit consent to the wind farm to which they are opposed.
- d) 76% of respondents indicated their preference for an organization in the form of a Co-operative for the Benefit of the Community. 71% of respondents indicated their preference for an open membership to residents in the affected communities.
- e) There was a clear support for providing assistance to younger people and their education and for community halls and the activities of various clubs and associations held in them. There was also priority given to projects that enhance or protect the environment and towards maintaining infrastructure.
- f) There were many questions raised about fund itself and it is recommended that information is provided by AMEC that states the fund amount, when it will become available and issues such as index linking.
- g) The communities are concerned about potential competition for the funds and it is proposed that each community is provided with an allocated proportion. This will allow each community to forward budget and to save annual amounts for larger projects or provide a legacy. An unallocated proportion of a suggested 25% should be available to other community interests including activities that take place in the Clashindarroch itself.

- h) It is recommended that AMEC provide funds to set up a single steering group to initiate the development towards setting up a Co-operative for the Benefit of the Community. It is recommended that the Board of the organisation has seven members, five of whom are elected by the members of each community and two who are nominated by the Tap o Noth and Strathbogie community councils. The board would elect a chairman from within the board who would not have a casting vote. The costs of administration of the organization should be fixed at around 7.5% of the fund.
- i) The role of the board should be defined from the outset and SAOS recommend that it is provided with guidance and training concerning its role and responsibilities.
- j) The projects that were prioritized provide a clear steer for the 'charitable objects' of the organisation. SAOS recommend that projects that enhance community cohesion, to counterbalance the polarization of views within the community, be given priority. The themes should be community activities, youth support, education along with the infrastructure and access necessary to promote these.

Clashindarroch Wind Farm Community Fund

Report of consultation and recommendations

1. The consultation with the communities comprised a number of elements:

- A briefing paper outlining the aim of the funds and the issues over its management and administration made available to the community at the Huntly library, the www.glassclash.info website and handed out to all attendees at meetings (See appendix).
- A press release, which received coverage in the local paper, detailing the intention to carry out a consultation.
- A series of meetings with the communities held over five evenings. A PowerPoint® presentation provided the basis for discussion of the main issues with those present.
- A response form to receive written input from local residents concerning priorities, suggestions and concerns as well as a preference for the type of organisation to manage the fund.

2. In total 78 residents attended the presentations and participated in a very interactive series of discussion on the issues. Audiences included local councillors, community councillors and members of the public, with a wide range of ages and occupations represented. Comprehensive notes of the points raised during the meetings provided an important source of information on the communities' views.

3. SAOS also received 42 written responses. The breakdown of the responses from Parishes was as follows:

Glass	– 14
Cabrach	– 7
Rhynie	– 7
Kennethmont	– 4
Gartly	– 5
Clatt	– 2
Lumsden	– 1
Others	– 2

It was clear from the responses that some were from people who indicated they were representing organisations or groupings, and so the responses received is perhaps more indicative of their communities than the actual number of responses.

These organisations included:-

Tap o' Noth Community Council
Rannes Hall Management Committee
Donside community council
Huntly Nordic Ski Club
Clatt village hall (tearoom & shop)

4. The written responses gave individuals (and organisations) an opportunity to take time in thinking about the opportunities and provided more information on projects than had emerged during the public meetings. Seven people wanted to make it clear that their participation in the consultation in no way implied any support for the windfarm project.
5. The following conclusions and recommendations are based on notes of the comments made at the meetings and the response forms which have subsequently been received.

The Community Fund

6. The paper and presentations outlined the issues relating to the Fund, its size and the importance of developing the best management structure for its administration. At a number, though not all, of the meetings there were questions about the role of the fund in relation to the windfarm and the public inquiry, including the suggestion that the fund was a "bribe" and also that any discussion was premature. Moreover, there was some concern that participating in the consultation could be seen as implicit support for the windfarm. It was emphasised that the consultation was not based on a presumption that the windfarm proposal would go ahead, was not linked to the public inquiry and did not carry with it any implications about support or otherwise for the windfarm project.

The Fund

7. Communities expressed a number of issues about the fund itself.
 - There were questions about the community coverage and why the 8Km limit. It was generally acknowledged that this limit encompassed the adjoining parishes but excluded Huntly town.
 - The size of the fund was an issue with a number of respondents, asking why other areas had secured a larger community fund commitment from their wind farm developments than is being suggested from AMEC for Clashindarroch.
 - There was scepticism about the proportion of the funds going to Aberdeenshire Council. It was strongly felt that this should be additional to any money identified for the communities; in any event it was important that the Council apply the funds it received to projects benefiting the local communities.

- The size of the fund per community and per household was questioned. “If some of the fund went to Huntly, some to Aberdeenshire Council and some in administration costs, the remainder divided by five parishes would mean only a relatively small amount would be available per parish per year”.
- Some queried the reason for the fund itself - whether it is to be regarded as compensation? With respect to this “perhaps there should be compensation to households who are recognised to be the most severely affected”.

Management

8. Respondents were asked their views on the organisation’s membership and management structure. Written responses provided most of the information. Of those who expressed an opinion, the results were:

Type of organisation	%	Number
An organisation in the form of a company limited by guarantee	24	8
An organisation in the form of a co-operative for the benefit of the community	76	26

Voting / governance structure	%	Number
Membership restricted to nominating bodies	29	8
Open membership to residents in the affected communities	71	20

9. The written responses are from a smaller number of people than the total who attended the meetings, but the fact that they have taken the trouble to respond suggests that they are motivated and concerned. The results point to a clear preference for a co-operative structure.
10. Slightly fewer people responded to the question of membership than of structure. There was a majority of those who supported open membership and this reflected discussion at the meetings and concerns for true community involvement.
11. There were a number of written comments about the management organisation on the response forms and its governance and this was also widely discussed at the meetings. These covered the following points:
- The role of Community Councils: in particular, ‘should Community Councils administer the Fund? – they are there to deal with the day to day running of things like this’. It was clear that different communities had differing ideas on how well they were represented

by their community councils, E.g. The Cabrach felt that they were not represented at all.

- Costs: how the set-up and running costs of the two types of organisation compared. 'Significant annual running costs coming out of the fund would reduce its value to the communities'.
- Structure: In particular, the importance of bringing the communities together to deal with this and a question of how other communities have dealt with the problem. There were views in favour of a co-op for the benefit of the community, which was perceived as being more straightforward. However, there were counter views, suggesting that a company limited by guarantee could be set up to look the same as a co-op, with the same people as Trustees and this has been a model used elsewhere.
- Set up: At a number of meetings there were questions about the mechanics of setting up a management organisation. There was also a view that setting something up sooner rather than later was desirable, initially through a steering committee, though there was some strongly expressed dissent to that view.

12. Points raised about membership were focused on two issues, both linked to the autonomy of the communities in managing the fund. First there was uncertainty about the role that AMEC might play in the management of the fund. The strong view was that if AMEC wanted the fund to be managed by the communities, they did not have role in that process. The second concern was whether Huntly or Aberdeenshire Council should have any role in the organisation. There were fears that if the organisation were open to Huntly, they could 'swamp' the local communities. There was little enthusiasm for an Aberdeenshire Council presence in the organisation, though it was mentioned that the Council could have a role in supplying an independent Chairman should that be necessary.

Coverage

13. There were clear concerns about the coverage of the fund. In particular, many residents raised questions about the role of Huntly as a possible beneficiary. The proposal that Huntly gets a 20% share of the fund was not well received, not least because it was felt Huntly would not be inconvenienced in any way by the wind farm and that Huntly gets enough support already. Since this was a genuine opportunity for smaller local communities to benefit there was a strong sense that it should not be diluted by Huntly taking away any of the funds. However, there was some support for Huntly, from younger people, who did travel to Huntly and could see projects there benefiting everyone, and from one respondent who thought that a more modest allocation would be appropriate.

14. A councillor from Lumsden raised the question of their inclusion or not. Clearly, including more parishes further reduces the amounts available to each, and as projects are largely parish-based (see below), so including Lumsden would have an impact on the other parishes. There was recognition that Lumsden may have its own wind farm and in this case may be reluctant to distribute funds wider than those parishes most directly affected.
15. A view was also received that questioned why parish boundaries are important at all, being 'invisible and drawn 300 years ago to tell you which church you were expected to walk to'. With the proposal that 'the spoils should be in concentric circles outwards'.

Projects

16. The projects and priorities identified by respondents are set out below. There were few suggestions made at the meetings themselves. The following represents the priorities for funding. The projects in red are those that received two or more requests for support with the first two listed receiving the highest level of support. Those in blue received one request.

Parish	Projects and Priorities
Rhynie	<p>New Community Hall Wetland park and walks Path improvement to Tap o Noth Local museum Young teens projects Student support for university Assist connections to the grid for remote houses Support to the school Re-paint the clock face Information to visitors Road improvement to water supply Support for the elderly</p>
Glass	<p>Youth club & other clubs support Hall improvements Primary school support Kirk & Walla Kirk maintenance and improvement Amenity projects – conservation Youth support – transport to work, Disability support Internet access Community bus Information boards Sheltered housing Twinning with third world community Student support – apprenticeships, College, Uni' Maintaining access for walkers and horses (during construction) Community gardens and forest</p>

Kennethmont	<p>Hall improvements – 100 year anniversary Nordic ski runs and support (huts, ski runs, snowmobile) Assistance for the school Amenity projects Local health care Community events Tennis courts Upkeep of village paths</p>
Gartly	<p>Hall improvements Conversion of Gartly exchange to Broadband Assistance for the school Education for cultural and language Electrification of houses not connected to the grid Wetland area creation Small domestic hydro schemes</p>
Clatt	<p>Hall improvements Support for cost of the hall upkeep School</p>
Cabrach	<p>New housing assistance General education support Fund to assist student to college / university Heating assistance for elderly Social gatherings,/music/art/festival/xmas Youth travel incentives to help in deprived countries. Transport for the elderly Environmental projects, wildlife area Job creation in the area Housing chalets on forestry comm. Land Restoration of fountain Maintenance of right of way</p>

17. It is clear that there are wide range of projects which have community support. Some involve one-off capital spending; some are more on-going in nature, such as funds for educational and enterprise support. The greatest priorities across the communities are to provide support towards education / youth support and for community halls and their activities, each receiving 25 and 18 responses respectively.

18. Questions raised at the meeting with respect to projects included whether they can be carried over a number of years and whether they can cross parish boundaries. One attendee asked whether the communities should look wider than the local area and considering sponsoring projects in the third world.

19. The questionnaire asked respondents to provide suggestions in connection with the fund (rather than priorities). For the purpose of analysis the responses with the same or similar statements have been grouped and the number shown indicates the amount of the same or similar suggestions. It should be noted that many people made more than one suggestion and these are included.

- 5 Do not include Huntly with fixed fund distribution
- 4 Steering group required, quickly and with assistance
- 4 Fund to be index linked
- 3 No money to be provided Aberdeenshire Council
- 2 Fund organisation to have a neutral chairperson
- 2 SAOS to publish simplified report
- 2 Huntly to be included within fund distribution
- 2 Benefit to those areas affected only
- 2 Any money to Aberdeen council to be sourced separately from community fund
- 2 Fund to have an equity stake in project
- 1 Parish Boundaries should be used
- 1 Gartly should benefit most
- 1 Give all of the fund to charity
- 1 Create local housing association
- 1 Provide renewable energy for houses / solar panels
- 1 Ownership of Community turbine
- 1 Subsidised electricity for community centres, especially nighttimes
- 1 Fund should be based on a percentage of annual profits
- 1 Nature sanctuary run by locals
- 1 Smaller amount to Huntly
- 1 Silent majority support
- 1 Board to include members of community councils
- 1 Young people need an input
- 1 Some money should be invested for longer term

20. The questionnaire asked respondents to air their concerns. For the purpose of analysis, the responses with the same or similar statements have been grouped. The number indicates the amount of the same or similar concerns.

- 8 Opposed to the wind farm
- 7 No reason for Council or Amec to be represented, they may not have community interests at heart
- 7 Completion of the form will show tacit support and bias in favour of the development
- 6 Amount of money offered is not sufficient
- 6 Equitable share will be difficult / concerns that communities may fall out
- 5 Separate pot for Aberdeen council / Huntly/ would mean imposition by council
- 4 Smaller communities may not get fair share of fund
- 3 Fund should be simple to administer/low admin / concerns over admin costs
- 3 Percentage of total fund established at outset for each of the communities
- 2 Concerns about the use of the existing community council structure
- 2 Benefit only to those areas affected only / do not include Huntly
- 1 Clatt needs some representation
- 1 Any new structure may upset the existing voluntary effort
- 1 Local bodies may not always be representative of their communities
- 1 Community apathy over time to operation of fund

21. With respect to suggestions and concerns there was some overlap where respondents were offering a solution/suggestion to a concern that they have.

Recommendations

22. Following the consultation a number of recommendations can be made with regard to the Fund, its management and the projects.

(i) The Fund

There were many questions raised about the value of the fund and clarity is now requested in order that the communities have a clearer understanding of what they are dealing with.

This will include the following:-

- The amount of the fund and the basis for calculation.
- The amount that will be paid to the communities as distinct from support for Aberdeenshire Council.
- When the fund will become available.
- The duration of the fund.
- Clarity on index linking – retail index, or electricity price.

The communities are concerned about potential competition for the funds both between the affected communities and from outside of the area with the communities. It was also clear that any fixed amount available to Huntly is unpopular.

SAOS recommend that the fund is divided into two distinctive proportions. Proportions are suggestions only.

- An affected communities proportion of 75% of the total fund.
- An unallocated proportion of 25% available to any good cause either within the communities or outwith.

The affected communities proportion would be allocated in fixed proportion according to a general criterion regarding the proximity to the wind farm and the population in each. The following is a suggested fixed proportion.

Gartly	20%
Glass	20%
Kennethmont	15%
Rhynie	15%
Cabrach	5%

A parish map from AMEC combining parish boundaries, populations and wind farm proximity would be useful in this regard.

In this way each community can forward-budget for any community project and save annual amounts to be spent on any larger project. Importantly SAOS feel that the fund will be more closely associated with each community – they will more clearly associate to their proportion and its accountability for use within their community.

One role of the fund administration will be to build reserves of unallocated funds on behalf of each community at their request. The effect of this would also be to provide a long-term legacy for the communities.

The unallocated proportion of 25% should be made available for distribution to any applicant. However, SAOS recommend that a focus for this fund concerns activities within the Clashindarroch that are also supported by people outwith the area, cross-country ski-ing is a particular example.

Any monies going to Aberdeenshire Council should be additional to the funds allocated to the Community Fund and the Council should use that money in the affected communities in accordance with their affordable housing policy.

(ii) The Organisation to Manage the Fund

There was strong support for the management organisation to be set up as a Co-operative for the Benefit of the Community and SAOS therefore recommend that this is the structure that is actively pursued. The Co-operative would apply for registration as a charity with the most recently set up Office of the Scottish Charity Regulator.

A Co-operative for the Benefit of the Community would have a representative Board elected by the community. The Board would be responsible for approving projects to be funded and for ensuring the funds are properly accounted.

We suggest, therefore, that AMEC provides funds to the Communities to set up a steering group to initiate this and we attach a set of model rules which could form the basis for the organisation (Appendix 2). The initial costs of setting up the steering group will be modest, but funds should be provided for professional help with registration and legal fees. The cost of registration through Co-ops UK in Manchester will be in the order of £1,500 and a budget for legal guidance should be set at around £2,500 to include registration as a charity.

Membership & board

There was a clear steer on membership from the consultation meetings and the response forms, suggesting there should be an open membership to residents in the affected communities.

It will be important that each community is represented on the Board. Accordingly, in each parish, members would propose a Board member to be their representative. The board would therefore have five parish members.

The community councils have a significant role within the communities and they also represent areas out with the five parishes. SAOS recommend that the two community Councils – Tap o Noth and Strathbogie each nominate a Board member. (Cabrach is served by the Glenlivet community council, but the Cabrach meeting made it clear that they did not feel represented by their community council. As Cabrach has a close affinity to both Glass and Rhynie we believe that they would be adequately represented through these parishes and connection to their respective community councils)

The key role of the Chairperson was discussed. Some people suggested that a Chairman from within the Communities may not be sufficiently disinterested in key decisions. However, it is the experience of SAOS that a Chairperson elected by the Board from within the Board works satisfactorily. In this case decisions by the board would be by consensus or by majority decision and the Chairperson would not have a casting vote. SAOS believe it is important that the Board is provided with guidance and training concerning their role and responsibilities.

AMEC (or any successor) should have a minimal role in the organisation with their involvement limited to agreeing the rules by which the money is to be disbursed and satisfying themselves, through the normal auditing process, that it is being spent appropriately.

The Board's main role will be to ensure that:

- Funded projects are in accordance to the charitable objects of the organisation.
- Effective monitoring criteria are used and evaluate the effectiveness against them.
- Internal accounting controls are effective.
- Accounts are prepared for members and Office of the Scottish Charity Regulator
- The organisation accounts for the fund operation to members at an AGM each year.
- Organisation understands and accounts for the various interests of the communities.
- There is monitoring and evaluation of other stakeholder relations.
- The organisation acts within the law at all times.

Administration

There was some comment received concerning the annual administrative cost of the fund. The following provides an outline budget:-

Annual audit/accountancy fees	£2,500
Co. Secretarial cost	£2,500
Info' website and printing costs	£ 750
Contingency	£ 750
Meeting costs	£ 500
Periodic fees to FSA	£ 200
TOTAL	£7,200 p.a.

SAOS believe that the organisations administration cost should be limited to a fixed percentage of the fund size. The above budget would suggest that the annual cost of administration could be fixed at around 7.5% of the fund.

(iii) Projects

While the projects are ultimately for the separate Communities and the Board to decide on, the range of projects mentioned shows that there are real opportunities within communities. There is clear support for providing assistance to younger people and their education and for community halls and the activities of various clubs held in them. There was also priority given to projects that enhance or protect the environment and towards maintaining infrastructure.

As housing will be largely covered by Aberdeenshire Council's affordable housing policy, and the environment of the Clashindarroch largely remains the responsibility of the owners – The Forestry Commission in line with the requirement of Scottish Natural Heritage, SAOS believe that the fund should be focus on the direct needs of people within the communities. This does not preclude individual communities from prioritising funding to either the environment or infrastructure development.

Projects that enhance community belonging, cohesion and 'spirit', in some respects to counterbalance the polarisation of views within the community concerning the wind farm development, should be a priority. The fund must remove, as far as possible, the potential effects of competitive positioning between communities and enhance existing fund raising activities, which in-themselves create community spirit.

The projects that were prioritised provide a clear steer for the 'charitable objects' of the organisation. The themes for the objects should be, community activities, youth support and education, and the infrastructure necessary to promote these such as community halls access and information.

Appendix 1 – Briefing paper

Clashindarroch Wind Farm Community Fund

What is it?

The proposed windfarm being developed by AMEC in the Clashindarroch Forest could affect a number of communities, including Huntly, Rhynie, Gartly, Kennethmont, Glass and the Cabrach. AMEC recognises this and is offering benefits in the form of an annual fund to the communities to spend on suitable projects to spend on suitable projects

Who benefits?

The intention is for the Fund to be distributed by the communities within eight kilometres of the wind farm. It is important that people in the area are happy that the Fund will be distributed equitably and fairly between the communities, and on projects that provide real and lasting benefits. In order to have maximum flexibility it is not intended to limit *where* the funds can be spent nor who can apply for them. However, subject to certain guidelines given by AMEC, the decision on what projects are funded will lie with the communities.

AMEC considers it appropriate that a portion of the fund should be allocated to provide benefit on a regional (Aberdeenshire) basis. Details of this are being considered and will be announced as soon as possible. It is AMEC's intention that such regional benefit will work to the advantage of local communities.

What are the benefits?

The aim of the Fund is to sponsor charitable, educational, community, environmental, energy efficiency and general community amenity schemes or projects, but not to be used to benefit individuals or for political or religious purposes. The consultation will ask for examples of how the funds may be used within the communities.

How is the Fund to be managed?

For the Fund to operate effectively in an open and accountable way, the right legal structure and guidelines have to be in place. Moreover, AMEC wants to deal with a single organisation in respect of the Fund, so there will be a need for the communities to work together in the management and administration of the funds.

The key question is what this legal structure should look like? While there are a number of possibilities, we have narrowed these down to just two types of organisation that we believe offer the best ways of managing the Fund for the communities involved. The consultation process is the opportunity for the people from the communities to have their say about what the legal structure should be, its democracy and what the funds should be used for.

What are the alternatives?

Two legal structures appear to us to be most appropriate:

1. Co-operative, for the benefit of the community
2. Company limited by guarantee

Other structures include a company limited by shares, or a partnership, neither of which offer correct democracy or ownership of the fund. A Community Interest Company might be a possible structure, but it does not allow the Fund to have charitable status and as a result opens the Fund to tax liabilities.

The Company Ltd by Guarantee and the Co-operative for the Benefit of the Community each have advantages and disadvantages and the appropriate structure for the management of the Fund is the key issue for the consultation.

Are both types of organisation used for managing Funds of this type?

Yes, both types of organisation are regularly used to manage Funds for communities. There are more set up as companies limited by guarantee than co-ops for the benefit of the community, but that may be because legal advisers are more used to dealing with one rather than the other.

How straightforward are the organisations to set up and run?

One advantage of the co-op structure is its simplicity and transparency. There are model rules available for co-ops that generally require little amendment before they can be used. Companies limited by guarantee must have a memorandum and articles of association specifically drawn up for them that can be an involved legal process.

How democratic are the organisations?

Co-ops have an in-built democratic structure based on one person, one vote. The voting structure in a company limited by guarantee will depend on that which is agreed and written in its articles. This may make it potentially less democratic than a co-op, but it may also be easier to restrict voting, say to people living in certain areas and not in others, which may be harder to do in a co-op.

How well do they meet the community's needs?

In the co-op model, community benefit is more or less guaranteed, because of the model rules and the principles of co-operation one of which is 'Concern for the Community'. A company limited by guarantee can be the same, but it depends how its articles are written.

How well are they regulated?

Both are well regulated. Companies are regulated by Companies House, but they do not check that the articles conform to company law. Co-ops are regulated by the Financial Services Authority who check to ensure the rules conform to the governing Act and to Co-operative principles.

Can both types have charitable status?

Claiming charitable status is particularly important from a tax point of view. It enables the organisation to avoid paying tax on the money it receives, so it is important that whatever structure is adopted, it is possible to achieve charitable status. A company limited by guarantee can register as a charity with the Registrar of Charities. The co-op can apply to the Inland Revenue for exempt charity status. Both the Registrar of Charities and the Inland Revenue check to ensure that the objects of the organisations are charitable.

Who are the members?

Whatever the structure, it will be important to decide who should be members of the organisation. If it is open to everyone in the affected communities then everyone is able to vote for committee members and call a special meeting. However, if there are already strong local representative bodies, maybe membership should be restricted to them and they nominate the committee to represent their communities. This could be more efficient and easier, albeit one step removed from a direct democratic structure.

Appendix 2 – Model rules

Rules of

Registered under the Industrial and Provident Societies Acts 1965-1978)

NAME

1. The name of the Society shall be

OBJECTS

2. The objects of the Society shall be to carry on any trade, industry or business for the benefit of the community by

POWERS

3. The Society shall have power to do all things necessary or expedient for the fulfilment of its objects provided that, in carrying out its objects, the Society shall promote equality of opportunity for all sections of the community in its own affairs and in society generally.

REGISTERED OFFICE

3. The Registered Office of the Society shall be at:

MEMBERSHIP

5. The first members of the Society shall be the signatories to the application for registration (the "Founder Members"). The Committee may at its discretion admit to membership any person or corporate body or the nominee of any unincorporated organisation who supports the objects of the Society and who has paid or agreed to pay the appropriate annual subscription for the time being in force.
6. A person who qualifies under Rule 5 above may apply for membership to the Committee, and upon acceptance and the payment of £1.00 and the annual subscription fee (if any) the Society shall issue to her/him/it one share certificate and shall enter her/his/its name in the register of members. The Committee may refuse any application for membership at its absolute discretion.
7. The Society shall keep at its registered office a register of members in which the Secretary shall enter the following particulars:
 - (a) the name and address of every member;
 - (b) a statement that one share only is held by each member and that £1.00 has been paid on each share;
 - (c) a statement of other property, whether in loans or otherwise, held by each member;
 - (d) the date on which each member's name was entered in the register as a member and the date on which any member ceased to be a member;

- (e) the names and addresses of the Committee members and officers of the Society, of the offices held by them respectively, and the dates on which they assumed and vacated office.
8. A copy of these Rules and any amendments made to them shall be given free of charge to every member upon admission to membership and shall be provided to any other person on demand and on payment of the statutory fee chargeable for the time being in force.

CESSATION OF MEMBERSHIP

9. A member shall cease to be a member if s/he or it:
- (a) resigns in writing to the Secretary; or
 - (b) fails to pay any subscription due in respect of membership within three months of its falling due; or
 - (c) is expelled from membership in accordance with Rule 10; or
 - (d) is the nominee of an unincorporated organisation and that organisation replaces her/him as its nominee or is wound up; or
 - (e) being an individual, dies; or
 - (f) being a corporate body, is wound up or goes into liquidation.
- In the event of an individual who is the nominee of an unincorporated organisation ceasing to be a member under clauses (a), (c) or (e) of this Rule, the nominating organisation may with the express consent of the Committee nominate another individual to membership in her/his place.
10. A member may be expelled for conduct prejudicial to the Society by a resolution carried by a majority of at least two-thirds of those members voting at a General Meeting of the Society of which due notice has been given, provided that the grounds for expulsion have been specified in the notices calling the meeting and that the member whose expulsion is to be considered shall be given the opportunity to state her/his/its case to the meeting. If on due notice having been served the member fails to attend the meeting the meeting may proceed in the member's absence.
11. No member expelled from membership shall be re-admitted except by a resolution carried by a majority of at least two-thirds of those members voting at a General Meeting of which due notice has been given.

GENERAL MEETINGS

12. An Annual General Meeting shall be held within six months of the close of the financial year of the Society, the business of which shall comprise:
- (a) The receipt of the accounts and balance sheet and of the reports of the Committee and auditor (if any);
 - (b) The appointment of an auditor, (subject to Rule 52 (b));
 - (c) The election of Committee members (or the announcement of the results of the election if held previously by ballot);
 - (d) The transaction of any other business included in the notice convening the meeting.
13. All General Meetings other than the Annual General Meeting shall be called Special General Meetings.
14. A Special General Meeting shall be convened either upon an order of the Committee or at the request of three members of the Society or ten per cent of the membership, whichever is the greater.

15. An Annual or a Special General Meeting shall be called by at least fourteen days' notice in writing posted or delivered to the address of every member recorded in the register of members, specifying whether the meeting is an Annual or a Special General Meeting and stating the time, date and place at which it is to be held. The notice shall contain details of the nature of the business to be transacted, and no business may be transacted at a General Meeting other than that specified in the notices calling it.
16. A notice sent by post to a member's registered address shall be deemed to have been duly served forty-eight hours after its posting. The accidental omission to send any notice to or the non-receipt of any notice by any member shall not invalidate the proceedings at the meeting.
17. If the Society has appointed an auditor in accordance with Rule 52 (a) They shall be entitled to attend General Meetings of the Society and to receive all notices of and communications relating to any General Meeting which any member of the Society is entitled to receive. The auditor shall be entitled to be heard at any meeting on any part of the business of the meeting which is of proper concern to an auditor.

PROCEEDINGS AT GENERAL MEETINGS

18. A corporate body which is a member of the Society shall appoint a representative who shall during the continuance of her/his appointment be entitled to exercise in any General Meeting of the Society all such rights and powers as the member organisation would exercise if it were an individual person. The Society shall require such notification of an organisation's appointed representative as the Committee may from time to time decide.
19. No person shall be entitled to vote on any question at a General Meeting other than an individual member of the Society or the duly appointed representative of a corporate body which is a member.
20. No business shall be transacted at a General Meeting unless a quorum is present in person. Unless and until otherwise decided by the Society in General Meeting, a quorum shall be of the members of the Society or three members, whichever is the greater.
21. If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned until a day between seven and fourteen days after the date set for the original meeting, and all members shall be given such notice as is practicable. If at such an adjourned meeting a quorum is not present within half an hour after the time set for the meeting, then the members present shall constitute a quorum.
22. The Chairperson of the Society shall preside at every General Meeting. In the event of her/his absence or unwillingness to act, the members present shall choose one of their number to be Chairperson of the meeting.
23. The Chairperson may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for twenty-one days or more, notice of the adjourned meeting shall be given as in the case of the original meeting; otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

24. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a secret ballot is, before or on the declaration of the result of the show of hands, demanded by at least two members present. Unless a secret ballot be so demanded, a declaration by the Chairperson that a resolution has on a show of hands been carried or lost with an entry to that effect in the book containing the minutes of the proceedings of the Society shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolution.
25. If a secret ballot is duly demanded it shall be taken in such a manner as the Chairperson directs, provided that no member shall have more than one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.
26. The demand for a secret ballot shall not prevent the continuance of a meeting for the transaction of any other business than the question upon which a ballot has been demanded. The demand for a secret ballot may be withdrawn.
27. Every member shall hold one vote only on each question to be decided at a General Meeting. Except where otherwise specified by these Rules or by the Act, questions shall be resolved by a simple majority of votes cast.
28. In the case of an equality of votes, whether on a show of hands or on a ballot, the Chairperson shall not have a second or casting vote and the resolution shall be deemed to be lost.
29. A resolution in writing signed by all the members for the time being entitled to vote at General Meetings shall be valid and effective as if the same had been passed at a General Meeting duly convened and held and may consist of several documents in the same form each signed by one or more members.

AMENDMENTS TO RULES

30.
 - (a) Any of these Rules may be rescinded or amended or a new Rule made by a vote of two-thirds of members of the Society voting at a General Meeting of which fourteen clear days' prior notice has been given, such notice to include details of the change(s) to be proposed at that meeting.
 - (b) No amendment may be made to the Rules which shall cause the Society to cease to be a charity in law.
 - (c) No amendment of Rules is valid until registered by the Financial Services Authority.

COMMITTEE OF MANAGEMENT

31. The Society shall have a Committee comprising not less than three and not more than twelve persons. The initial Committee of the Society from incorporation until the first Annual General Meeting shall be appointed by the Founder Members.
32. A Committee member shall, subject to Rule 39 below, hold office until the end of the next Annual General Meeting following her/his election. Retiring members shall be eligible for re-election at the Annual General Meeting at which they retire.
33. New Committee members shall be elected in accordance with such procedures as may be adopted by the Society from time to time, provided that only members of the Society and representatives of organisations which are members may stand for election to, or nominate persons to stand for election to the Committee.

34. The Committee may at any time co-opt any member of the Society or the representative of an organisation which is a member to fill a casual vacancy in the Committee. Any person co-opted by the Committee may be removed by a majority vote of the Committee. A casual vacancy shall be deemed to exist if the number of Committee members should drop below the minimum prescribed in these Rules or below the number elected at the preceding Annual General Meeting.
35. Under no circumstances shall any employee of the Society or any person less than 18 years of age serve on the Committee.
36. In the event that the size of the Committee should drop below the minimum number of members prescribed in these Rules, the members of the Committee may act to increase their number or to call a General Meeting of the Society, but for no other purpose.
37. A Committee member shall declare an interest in any contract or matter in which s/he has a personal material or financial interest, whether directly or indirectly, and shall not vote in respect of such contract or matter.
38. Committee members may be paid all reasonable and proper expenses incurred by them in attending and returning from meetings of the Committee or General Meetings of the Society or in connection with the business of the Society.
39. The office of Committee member shall be immediately vacated if s/he:
 - (a) resigns her/his office in writing to the Society; or
 - (b) ceases to be a member of the Society for any reason whatsoever (or is the representative of a corporate body which ceases to be a member); or
 - (c) is removed from office by a majority vote of the Society in General Meeting, the notices for which specified that the question of the Committee member's removal was to be considered; or
 - (d) in the opinion of a majority of the Committee, fails to declare her/his interest in any contract as referred to in Rule 37; or
 - (e) is absent from three successive meetings of the Committee during a continuous period of twelve months without special leave of absence from the Committee and they decide that s/he has by reason of such absence vacated office; or
 - (f) becomes bankrupt or, in the opinion of a majority of the Committee, incapable on medical or psychological grounds of carrying out the functions of a Committee member.

HONORARY OFFICERS

40. Members of the Committee shall elect a Chairperson, Secretary and Treasurer of the Society from amongst their own number. Any honorary officer so appointed may be removed or replaced by a majority vote of the Committee at any time, or by a majority vote of the members at a Special General Meeting the notices for which specified that the matter was to be raised.

POWERS AND DUTIES OF THE COMMITTEE

41. The business of the Society shall be managed by the Committee who may pay all expenses of the formation of the Society as they think fit and may exercise all such powers of the Society as may be exercised and done by the Society and as are not by statute or by these Rules required to be exercised or done by the Society in General Meeting, including the setting of annual subscriptions for members.

42. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Society shall be signed, drawn, accepted, endorsed, or otherwise executed in such manner as the Committee shall from time to time direct.
43. The Committee may delegate any of its functions to sub-committees made up of members of the Committee and such other persons as it sees fit. Any sub-committee so formed shall in the exercise of its powers conform with any regulations imposed upon it by the Committee, which shall always include the requirement for regular and prompt reports back to the Committee.

PROCEEDINGS AT COMMITTEE MEETINGS

44. The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The Secretary shall at the request of two or more Committee members summon a meeting of the Committee at any reasonable time by giving all Committee members reasonable notice of the date, time and venue for the meeting and the general nature of the business to be considered.
45. Unless and until otherwise decided by the Society in General Meeting, the quorum necessary for the transaction of business at a Committee meeting shall be one half of the members of the Committee or three members, whichever is the greater.
46. At every Committee meeting the Chairperson shall preside, but in the event of her/his absence or unwillingness to act the members present shall choose one of their number to be Chairperson of the meeting.
47. The Committee shall cause proper minutes to be made of all the proceedings of the Society, of the Committee and of any sub-committees. All such minutes shall be open to inspection by any member of the Committee at all reasonable times.
48. Questions arising at Committee meetings shall be decided by a majority of votes of those present. In the event of a tied vote the Chairperson shall not have a second or casting vote and the resolution shall be deemed to be lost.
49. A resolution in writing signed by all the members for the time being entitled to vote at meetings of the Committee shall be valid and effective as if the same had been passed at a meeting duly convened and held and may consist of several documents in the same form, each signed by one or more members.

SHARE CAPITAL

50. The shares of the Society shall be of the nominal value of £1.00 each issued to persons upon admission to membership of the Society. The shares shall be neither transferable nor withdrawable, shall carry no right to interest, dividend or bonus, and shall be forfeited and cancelled on cessation of membership from whatever cause, and the amount paid up on such cancelled shares shall become the property of the Society. Each member shall hold one share only in the Society.

AUDITORS

52. (a) Subject to clause (b) below, the Society shall appoint in each financial year an auditor qualified under section 7 of the Friendly and Industrial and Provident Societies Act 1968 to audit the Society's accounts and balance sheet for the year.
- (b) The Society shall (subject to Rule 52 (c)) be exempt from the obligation to appoint a qualified auditor if during the preceding financial year it met such criteria regarding low levels of income and/or expenditure or other factors as to qualify it for statutory exemption from the need to appoint qualified auditors.
- (c) The members of the Society shall in general meeting vote every year to allow the Society to apply the audit exemption. Such a resolution shall be deemed to have been passed if less than 20 per cent of the total number of votes cast are against the resolution and less than ten per cent of the members of the Society cast their votes against the resolution.
- (d) None of the following persons shall be appointed as auditor of the Society: - an officer or employee of the Society;
a person who is a partner or employee of or who employs an officer of the Society.
- (e) The first appointment of an auditor shall be made within three months of the registration of the Society and shall be made by the Committee if no General Meeting is held within that time. The Committee may appoint an auditor to fill a casual vacancy occurring between General Meetings. Except as specified in these cases, every appointment of an auditor shall be made by a resolution of a General Meeting of the Society.
- (f) An auditor for the preceding financial year shall be re-appointed as auditor of the Society for the current financial year unless:
- (i) a resolution has been passed at a General Meeting appointing someone else as auditor or providing expressly that s/he shall not be re-appointed; or
 - (ii) s/he has given notice in writing to the Society of her/his unwillingness to be re-appointed; or
 - (iii) s/he is ineligible for appointment as auditor of the Society for the current financial year; or
 - (iv) s/he has ceased to act as auditor of the Society by reason of incapacity.
- (g) Any resolution of a General Meeting of the Society either to remove an auditor from office or to appoint another person as auditor shall not be effective unless notice of the proposed resolution has been given to the Society at least twenty-eight days prior to the meeting at which the resolution is to be considered. At least fourteen days' notice of such resolution must then be given to members of the Society in the manner prescribed in Rule 15 and in writing to the auditors.

ANNUAL RETURN

53. Every year and within the period prescribed by statute, the Secretary shall send to the Financial Services Authority the annual return, in the form prescribed by the Financial Services Authority, relating to its affairs for the period required by the Act to be included in the return together with:
- (a) a copy of the report of the auditor on the Society's accounts for the period included in the return; or a copy of such other report (if any) as is required by statute for such period, and
 - (b) a copy of each balance sheet made during that period and of the report (if any) of the auditor or other appropriate person as required by statute on that balance sheet.
54. The Society shall on demand supply free of charge to any member, or to any person with an interest in the funds of the Society, a copy of the latest annual return together with a copy of the auditor's report on the accounts and balance sheet contained in the return.

55. The Society shall at all times keep a copy of the latest balance sheet of the Society together with a copy of the corresponding auditor's report hung up in a conspicuous place at the registered office.

PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER

56. (a) Upon a claim being made by the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member to any property in the Society belonging to the deceased or bankrupt member, the Society shall transfer or pay such property to which the personal representative or trustee in bankruptcy has become entitled as the personal representative or trustee in bankruptcy may direct them, (b) A member may in accordance with the Act nominate any individual or individuals to whom any of her/his property in the Society at the time of her/his death shall be transferred, but such nomination shall only be valid to the extent of the amount for the time being allowed in the Act. On receiving a satisfactory proof of death of a member who has made a nomination the Society shall, in accordance with the Act, either transfer or pay the full value of the property comprised in the nomination to the person entitled thereunder.

APPLICATION OF SURPLUS

57. The Society shall not trade for profit. Any surplus generated by the Society shall be applied solely to the continuation and development of the Society.

SEAL

58. If the Society has a seal it shall be kept in the custody of the Secretary and used only by the authority of the Board. Sealing shall be attested by the signature of two directors or of one director and the Secretary for the time being. If the Society does not have seal, a document which would have previously required to be sealed, should be signed by a director and secretary or two directors and accompanied by a written statement that the document has been executed by the society as if under common seal.

INVESTMENT OF FUNDS

59. The Society may invest any part of its funds in the manner set out in Section 31 of the Industrial and Provident Societies Act 1965.

REGULATIONS

60. The Society in General Meeting or the Committee may from time to time make, adopt and amend such regulations in the form of bye-laws, standing orders, secondary rules or otherwise as they may think fit for the management, conduct and regulation of the affairs of the Society and the proceedings and powers of the Committee and sub-committees. No regulation shall be made which is inconsistent with these Rules or the Act. All members of the Society and the Committee shall be bound by such regulations whether or not they have received a copy of them.

DISSOLUTION

61. The Society may be dissolved by the consent of three-quarters of the members by their signatures to an instrument of dissolution, or by winding up in a manner provided by the Act. If on the winding up or dissolution of the Society any of its assets remain to be disposed of after its liabilities are satisfied, these assets shall not be distributed among the members, but shall be transferred instead to some other charitable body or bodies with objects similar to or compatible with those of the Society as may be decided by the members at the time of or prior to the dissolution.

DISPUTES

62. In the event of a dispute between the Society or its Committee and a member of the Society or a former member, such dispute shall be referred to an independent arbitrator whose appointment is acceptable to both parties to the dispute. The decision of such an arbitrator shall be binding. In the event that a dispute cannot, for whatever reason, be concluded by reference to an arbitrator, the matter may be referred to the County Court (or in Scotland, to the Sheriff).

INTERPRETATIONS

63. In these Rules, "the Act" refers to the Industrial & Provident Societies Acts 1965 to 1978 or any Act or Acts amending or in substitution for them for the time being in force.

Signatures of Founder Members
CAPITALS (no initials)

Full Names in BLOCK

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2.

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3.

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Secretary:

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