

# Setting up a voluntary organisation in six steps

## STEP 1. Identify an unmet need

### Ask yourself:

- ♦ What will be new and unique about the campaign, service or group that you want to set up?
- ♦ Who else might be dealing with a similar issue or service?
- ♦ Can you join forces with other organisations or groups rather than starting a new group?

There may already be a voluntary, public or private organisation dealing with similar problems or issues to the one you are concerned about. You may have good reasons for wanting to set up a separate organisation. However, it is worth checking to see if another organisation could be persuaded to campaign on your issue or deliver the service that you think is missing or could be delivered better. Check with your local council, CVS or on [www.grampiancaredata.gov.uk](http://www.grampiancaredata.gov.uk).

If you want to deliver a new service, a feasibility study may be necessary to figure out if there is sufficient demand and the right resources to support that service.

Potential supporters and funders will be more enthusiastic if they can see that you will be meeting a clear need and are not duplicating the work of others.

## STEP 2. Build a team

Recruit enthusiastic and committed people to form a steering group for the new organisation. Individually and collectively they should have the time, skills, knowledge, contacts and ideas necessary to get things up and running. It will also be important that they bond as a team – if an organisation starts out with tension, poor communication or even open conflict at its core then it is unlikely to succeed long term.

## STEP 3. Agree the broad aims and purpose of the organisation

It is important to have some agreement about why the organisation exists and who will benefit from its existence. This will help you to bring on board supporters, especially if you canvas the views of people who might be interested or benefit from the work of the organisation. It also helps you to be clear about what your focus should be. Commonly an organisation will have an agreed:

**Vision:** this is your view of what the society or your community could or should be like. For example, 'A society in which people with a disability have the same rights and expectations as anyone else'.

**Mission:** this spells out what you want to do in broad terms to turn that vision into reality. For example, 'Provide services that increase access to education for a particular group'.

**Values:** shared beliefs about the way you should operate. For example, 'respect for difference, honesty, respect, tolerance and responsiveness to the views of people who will use any services you provide'.

Together these provide a framework for operation. Good organisations will periodically revisit these every few years to ensure that they are still relevant and work well. Don't worry if you don't get it absolutely right the first time around.

## STEP 4. Make a plan

Using the vision, mission and values as a starting point you now need to work out how to turn your dreams into reality, i.e. what you're going to do, when and why. Start with the big or long term things and then work out what steps you need to take to make those things happen.

### For example:

- ◆ Set up new service for a group with special needs
- ◆ Establish need
- ◆ Get funding or resources for feasibility study
- ◆ Undertake survey of local providers
- ◆ Interview potential users of service
- ◆ Gather statistics on local health needs

### It is good practice to:

- ◆ Prepare a budget – showing how the plan will be paid for and how much money will be available for each activity within it
- ◆ Undertake a risk assessment – list potential problems that might derail the organisation and, for each, how likely it is and what the impact would be. Take steps to minimise the risks or the impact of them (for example taking out insurance).

The complexity of the plan will depend on the ambitions of the organisation. One that aims to employ staff and handle significant amounts of money, for example is likely to need a more detailed and rigorously tested plan than that required by a group which is happy to stay small, informal and solely volunteer run. Tasks within the plan will need to be allocated to the steering group or to other volunteers in the short term. As the organisation matures however this allocation can change, as the next steps explain.

## STEP 5. Get Constituted

You need to prepare a constitution. This is a document that states in clear terms the boundaries of the organisation and the responsibility and authority for different people within it.

A constitution will usually include:

- ◆ The purpose of the organisation
- ◆ What (within the law) it has the power to do.
- ◆ Who can and cannot be a member of the organisation.
- ◆ The powers and responsibilities of members.
- ◆ The powers delegated to the governing committee by the membership.
- ◆ How many people will sit on the governing committee, for how long and by what selection process?
- ◆ How the relationship between the governing committee and membership will work?

Members are people or other organisations that have opted to have a formal stake in your organisation (the exception being if it is a Trust following the wishes of a donor). Technically they are the organisation and will have ultimate control. To begin with the steering group will have to define who can become a member.

### For example:

- ◆ Being a tenant of a housing association
- ◆ Sharing a concern about a campaigning issue
- ◆ Living in a particular area where an organisation operates

It will not be feasible for all members to agree all the decisions necessary to run the organisation. They should therefore appoint a committee to whom the membership can delegate responsibility for taking care of the organisation (a role known as 'governance'). Often people who have worked on the steering group are willing to stand for election to this committee so in practice there is likely to be continuity between the two bodies. In the short term the steering group should make broad decisions, which should then be put to the membership at a formal meeting.

K&D Voice can provide model constitutions that you can use as a base for yours. But don't just rehash these - make sure you set up the type of organisation that is fit for your purpose and get some help with this from K&D Voice staff.

## STEP 5. Decide on the legal standing: formal or informal?

Once a membership based voluntary organisation has developed a constitution it becomes what is known as a voluntary association. It will be able to do certain things, for example set up a bank account. Many small organisations are happy to stay at this level.

Two other options can also be considered:

- ◆ Becoming incorporated – for example as a company
- ◆ Becoming a charity

You don't need to make decisions about these at the beginning. At any point you can become incorporated or become a charity as long as you meet the criteria.

'Incorporation' means giving the organisation a legal personality in its own right. The advantage of this is that it offers increased protection to people sitting on the governing committee, for example in the event of a legal action the organisation would be the target rather than individuals within it. The flipside is that committee members will need to take their responsibilities very seriously as these will now be legally binding. There are also obligatory reporting duties, for example for companies to their official regulatory body – Companies House.

In deciding whether to incorporate or not look at the risk factors. In particular, organisations which intend to enter into contractual relations, for example to employ staff, receive grants or deliver public services, would be well advised to give this serious consideration.

Charity status is a badge that an organisation can wear that entitles it to special privileges. Both incorporated and unincorporated voluntary organisations can apply for charity status. To acquire it they need to prove (in simplified terms) that they are of public benefit, independent of government, non party political and not for private gain. The advantages include some tax breaks, wider fundraising opportunities and potentially greater public trust. The flipside is similar to incorporation, with governing body members legally bound to act responsibly (not necessarily a bad thing!) and obliged to report to the Office of the Scottish Charity Regulator.

More information about different types of legal structure can be found by contacting K&D Voice - or visit the SCVO Guide to Constitutions and Charitable Status at:  
[www.scvo.org.uk/scvo/Information/TopInformation.aspx](http://www.scvo.org.uk/scvo/Information/TopInformation.aspx)

### **How long will all this take?**

Setting up a new voluntary organisation can take a number of months. Because you are trying to reach consensus on big decisions very often these will be held up, for example, until the required people can all make it to a meeting. It is a bit like wiring a building: lots of delicate and time consuming work behind the scenes but, do it right, and the lights will go on first time. Rush it, howev-

er, and costly repair work may be needed down the line.

Depending on how big, complex, and/or formal the organisation will be, further advice and guidance may be necessary. K&D Voice may be able to offer support and guidance on a one to one level - if necessary, we can come along and talk to members of your group and give some practical, hands-on help.

### **What other practical things might be needed?**

Do you prefer hands on action? Do these 6 steps involve too much abstract discussion and conceptualising for your liking? Be reassured - a lot of practical problem solving will also be necessary to get things up and running. Things to put in place include:

- ♦ A filing cabinet and system for documents and correspondence
- ♦ A designated postal address and phone number for the organisation
- ♦ A bank account (once the organisation is constituted)
- ♦ Access to ICT including an email address (if you don't have a computer you might, for example, set up a web-mail account and use free facilities at your local library)

If the organisation intends to occupy premises and/or employ staff it will be important to get further information on legal and good practice requirements with regard to these.



is your local Council for Voluntary Services: we provide local support on **all** aspects of your voluntary group, from general information and advice to hands-on, direct support.

**[www.kdvoice.org.uk](http://www.kdvoice.org.uk)**

**Tel: 01330 825027**

The main structure of this document is from the SCVO website. Further information on setting up a charity and all that is associated with that is also available from the

SCVOsite:**<http://www.scvo.org.uk/scvo/Information/TopInformation.aspx>**