

## Charitable status and the National Planning Forum

### Charitable status

1. Charities are established exclusively to further a set of charitable objectives including for the public benefit and their Articles of Association must reflect these objectives.
2. The Charity Commission's definition of a charity is that it must be an organisation which is engaged in one of the following not-for-profit activities:
  - Relief of poverty for those disadvantaged and in need;
  - Of advancement of education or religion or health or citizenship or community development on arts and culture and science or amateur sport, of human rights or religious and racial harmony, and equality and diversity, of animal welfare;
  - The promotion of the armed forces; and
  - Any other purposes already charitable law

And can show public benefit.

3. The Forum would need to demonstrate their eligibility for charitable status, on the basis of its objectives, as already set out in the company's Articles of Association.
4. The advantages of securing charitable status are:
  - Exemption from income or corporation tax;
  - Preferential rates for charitable organisations can be obtained at some meeting venues and for services such as banks and indemnity insurance;
5. The disadvantages associated with charitable status are:
  - The Forum's directors would become Trustees of the charity, and therefore could not be paid for their activities as trustees, and payment for any other work undertaken by them may need to be approved by the Charity Commission;
  - Any changes in the Articles of Association would need to be referred to the Charity Commission as well as to Companies House;
  - In the charity is wound up at any time, then any monies remaining would have to be given to another charity with similar objectives.

### Current position

6. In 2016 the members of the old unincorporated association, The National Planning Forum, agreed that all monies retained by the association should be transferred to the new "National Planning Forum Ltd".
7. The incorporation was confirmed in December 2017 but it was agreed at that time that the company would commence operating on 1 April 2018.
8. It was always the intention of the previous Management Committee to seek charitable status for the Forum in the long-run but legal advice was to make the transition in two stages (to a registered company and then to seek charitable status). The objectives contained within the

existing Articles of Association were therefore drafted to be acceptable to the Charity Commission and are set out below for information:

*“The object of the company is:*

*(1) To enable its members to evaluate, explore and exchange information about town and country planning in England in order to achieve quality outcomes that enhance productivity, well-being and environmental sustainability for the benefit of the wider public.*

*(2) In pursuance of the object the company can*

- a. Hold events*
- b. Undertake research*
- c. Publish information and reports*
- d. Liaise and work with professionals within the built environment sector and collaborate with other individuals and organisations*
- e. Make such subsidiary roles as may be required which shall not conflict with these articles*
- f. To do anything necessary to further the objects of the Company”*

9. Achieving charitable status would mean very little change to the way in which the Forum itself currently operates; there would be a small number of additional returns to be made on an annual basis to the Charity Commission.
10. The Directors of The National Planning Forum Ltd would become the Trustees to the charity with the additional responsibilities that such a role entails. They would be subject to the Charity Commission’s Governance Code and must:
  - Be clear that what the charity does supports its purposes and benefits the public;
  - Check that decisions made are within the rules of the charity;
  - Ask themselves in all decision-making, what is best for the charity and who will benefit;
  - Satisfy themselves that the charity’s funds, people and reputation are used sensibly and are protected from undue risk;
  - Ensure that the charity’s accounts and reports are filed on time and to the standard required and are clear about the charity’s achievements.
11. As a company limited by guarantee the NPF is required to submit an annual corporation tax return to HMRC and pay tax on any income over the year and this would almost certainly mean that some money would be due to HMRC at 31 March 2019 unless charitable status is achieved.
12. Given this situation it is considered that steps should now be taken to transform the company into a charitable company as soon as possible.

#### **Recommendation of the Board**

13. The Board recommends that The National Planning Forum Ltd should seek charitable status with immediate effect, seeking to complete charitable status before 31 March 2019 and seeks authorisation from the Annual General Meeting to that end.