



7 January 2011

Dear Mr [REDACTED]

**Proposed referendum on the UK parliamentary voting system
Enquiry concerning certain charitable bodies**

I am the designated Referendum Agent for the No Campaign in the forthcoming referendum on the parliamentary voting system. My role is to make sure that our side complies with the legal and regulatory requirements involved and to monitor the activities of the Yes Campaign. In that regard I have been in correspondence with the Charity Commission, and I enclose for your information a letter I have sent to Sam Younger, their Chief Executive.

My campaign has no quarrel with [REDACTED] or the work that it undertakes. Our complaint relates to the Yes Campaign, who have placed the logo of the Democracy Matters group on the website of Take Back Parliament, one of their affiliated groups, among their supporters.¹ As Democracy Matters is an unincorporated association of which your charity is a member this implies an endorsement by your organisation.

Affiliation to one side in a referendum is a form of engagement in political campaigning which is prohibited to charities. (The Charity Commission have previously conceded to me that their current guidance to charities is defective in that it does not cover referendums, and it is in the process of being re-written.) Furthermore, I have reviewed the charitable objects of [REDACTED] and they do not extend to campaigning for the introduction of the Alternative Vote system for parliamentary elections to the exclusion of all other forms. I therefore conclude that it is not permitted for your charity to affiliate to the Yes Campaign.

My concern is to ensure that the referendum is fought on a fair and legitimate basis with a level playing field for both sides. I cannot accept the Yes Campaign seeking to exploit support from organisations who cannot give such support legitimately.

Fortunately there is a straightforward means of resolving these issues. If [REDACTED] were to provide me with a denial of support for the Yes Campaign, for general circulation, then this would remove the question of inappropriate political engagement. I should also be grateful if you would contact

¹ See the logos displayed at the foot of the page here: <http://www.takebackparliament.com/>



Democracy Matters and request that they disaffiliate from the Yes Campaign.

I am copying this letter to Ros Baston of the Electoral Commission who has general responsibility for liaising with referendum campaigners.

I appreciate your assistance in this matter and I look forward to receiving your reply. Should you require any additional information I can be contacted via william@no2av.org or 07958 778 702.

Yours sincerely,

A handwritten signature in black ink that reads 'William Norton'. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

William Norton
Referendum Agent Designate

cc: Ros Baston, Electoral Commission



Mr S Younger CBE
Chief Executive
Charity Commission
30 Millbank
London
SW1P 3DU



7 January 2011

Dear Mr Younger

**Proposed referendum on the UK parliamentary voting system
Enquiry concerning certain organisations**

I write further to my letter dated 16 November 2010.

I have received a letter from your colleague Kenneth Dibble (Executive Director, Legal Services and Compliance) dated 26 November. I am grateful for Mr Dibble's agreement that there is a hole in the current guidance for charities in relation to referendum activity.

I have now completed further research into the logos displayed on a number of websites operated by the Yes Campaign. The number of charitable bodies they are claiming as supporters is larger than discussed in my first letter.

These organisations should not be affiliated to the Yes Campaign because affiliation to a referendum campaign is a form of political campaigning which is incompatible with charitable status. The adoption of the Alternative Vote system in no way furthers the specific objects (as disclosed by the Charity Commission website) of any of these bodies.

(1) Charities which have directly affiliated to the Yes Campaign

As evidenced by the presence of their logo on one or other Yes Campaign websites:

- British Association of Settlements and Social Action Centres (BASSAC) (registered number: 1028784);
- British Muslims for Secular Democracy (BMSD) (registered number: 1122730);
- Fawcett Society (registered number: 1108769);
- Friends of the Earth (registered number: 281681);
- New Economics Foundation (registered number: 1055254);
- Urban Forum (the working name of "Diverse Cities", registered number: 1096131); and
- World Development Movement Trust (registered number: 1064066).

Apart from Urban Forum and the World Development Movement Trust, all of these bodies were the subject of my letter dated 16 November.



The World Development Movement Trust is in a similar situation to Friends of the Earth in that it is a parallel charity for a political organisation, the World Development Movement, established to “support WDM’s work ‘tax effectively”¹ and using the same logo. It is ambiguous which body has affiliated to the Yes Campaign.

(2) Charities which have implicitly affiliated to the Yes Campaign through their membership of the Community Sector Coalition lobbying group

One of the organisations affiliated to the Yes Campaign is Community Sector Coalition. They were established in 1994 and describe themselves as “a Coalition of organisations that wanted to champion the unique contribution that the community sector makes to society.”² Their five-member Executive Group comprises:

- Sylvia Brown, of Action with Communities in Rural England;
- Ben Hughes, of BASSAC;
- Amanda Greenwood, of Community Development Exchange;
- David Tyler, of Community Matters; and
- Jeremy Iles, of the Federation of City Farms and Community Gardens.

Support staff and services are, according to their website, supplied by BASSAC: “The Coalition is a network of organisations and is not formally constituted. Bassac acts as accountable body for the Coalition, employing and hosting staff at the Community Hub in Corsham St, London, which is jointly owned by bassac and the Development Trusts Association (DTA).”³

Community Sector Coalition would, therefore, appear not to have any separate corporate existence in the way that, for example, a company is distinct in law from its shareholders. This lack of legal personality means that the notional actions of Community Sector Coalition count as the joint actions of its individual members. Community Sector Coalition can only intervene in the referendum at the collective level to the extent that its individual members can intervene separately which, of course, charitable members cannot.

Out of 30 stated members of Community Sector Coalition, 22 have charitable status:

- Action with Communities in Rural England (registered number: 1061568);
- Advice UK (registered number: 299342);
- Black Training and Enterprise Group (registered number: 1056043);
- Centre for Local Economic Strategies (registered number: 1085903);
- Churches’ Community Work Alliance (registered number: 1004053);
- Civic Voice (registered number: 1134476);
- Community Development Exchange (registered number: 1085702);
- Community Development Foundation (registered number: 290255);

¹ See <http://www.wdm.org.uk/world-development-movement-trust>

² See <http://www.communitysectorcoalition.org.uk/about-the-csc>

³ See <http://www.communitysectorcoalition.org.uk/about/executive-group>



- Community Foundation Network (registered number: 1004630);
- Educational Settlements Association (registered number: 313302);
- Faith Based Regeneration Network (registered number: 1107076);
- Federation for Community Development Learning (registered number: 1087488);
- Federation of City Farms and Community Gardens (registered number: 294494);
- HACT (The Housing Associations' Charitable Trust)(registered number: 1096829);
- Institute of Leadership and Community Management (registered number: 248226);
- MIND (The National Association for Mental Health)(registered number: 219830);
- National Association for Voluntary and Community Action (registered number: 1001635);
- National Council for Voluntary Youth Services (registered number: 1093386);
- National Federation of Community Organisations ("Community Matters") (registered number: 1002383);
- Novas Scarman Group, an Industrial & Provident Society with Charitable Status Reg. No.IP28680R; and
- Sheila McKechnie Foundation (registered number: 1108210).

A further member of Community Sector Coalition, the Voluntary Arts Network, is a registered Scottish charity. We will be pursuing their position separately with your colleagues in the Office of the Scottish Charity Regulator.

If the above charities *do* endorse the affiliation of Community Sector Coalition to the Yes Campaign then that constitutes activity incompatible with their status, or outside their charitable purposes. If they *do not* endorse that affiliation then their correct course of action should be to either leave Community Sector Coalition or take steps to ensure that it disaffiliates from the Yes Campaign immediately.

(3) Charities which have implicitly affiliated to the Yes Campaign through their membership of the Democracy Matters lobbying group

The logo of Democracy Matters appears on the website of Take Back Parliament, which is affiliated to the Yes Campaign, and its own website has publicised the activities of the Yes Campaign.

Democracy Matters describe themselves as "*an informal alliance of individuals and organisations for effective democracy. This web-portal aims to support communication, co-operation and learning among organisations and networks concerned about democracy so that citizens have an effective say in how society is run. You could say that we are an unofficial Ministry of Practical Political Education.*"⁴ It would appear that the group was formed in March 2010, announced by a letter to the *Guardian*.⁵

Democracy Matters say that they are led by "*a national steering group of about 12 people from*

⁴ See <http://democracymatters.info/>

⁵ See <http://www.guardian.co.uk/technology/2010/mar/20/web-of-democracy>



*different organisations, each one leading on specific tasks and able to speak for the alliance*⁶, but the membership of this committee does not appear to be stated. Their Convener is identified as Titus Alexander, who appears to be an employee of Novas Scarman Group Limited, which is one of the member organisations.

Democracy Matters is therefore an unincorporated association similar to Community Sector Coalition (in fact, Community Sector Coalition is itself a member of Democracy Matters and both groups have common members). Its involvement in the referendum therefore creates the same problems from the charitable status of its members.

Out of 28 stated members of Democracy Matters, 23 have charitable status. Those which are not also members of Community Sector Coalition, listed above, are:

- Alban Neve Deaf Association (registered number: 1121890);
- Brighton & Hove Working Together Project (registered number: 1086756);
- Church Action on Poverty (registered number: 1079986);
- Citizenship Foundation (registered number: 801360);
- Community Links (registered number: 10185117);
- Co-Operative College (registered number: 1060008);
- Development Education Association (registered number: 291696);
- Involve (registered number: 1130568);
- London Civic Forum (registered number: 1097837);
- London Voluntary Service Council (registered number: 276886);
- National Council for Voluntary Organisations (registered number: 225922);
- National Institute of Adult Continuing Education (registered number: 1002775);
- Workers' Educational Association (registered number: 1112775)

Church Action on Poverty is implicated because it administers a programme called "Participatory Budgeting", which is claimed as a member by Democracy Matters.

If these charities *do* endorse the affiliation of Democracy Matters to the Yes Campaign then that constitutes activity incompatible with their status, or outside their charitable purposes. If they *do not* endorse that affiliation then their correct course of action should be to either leave Democracy Matters or take steps to ensure that it disaffiliates from the Yes Campaign immediately.

Intervention sought from the Charity Commission

The Charity Commission has ultimate responsibility for enforcing charity law and regulating charitable status in England and Wales. The affiliation (direct or implied) of these bodies to the Yes Campaign is an activity incompatible with their charitable status.

The simplest way to resolve this breach of charity law would be for both the individual charity and the Yes Campaign to publically disaffiliate from each other, for the charity and lobbying group

⁶ See http://democracymatters.info/about_us.html#4



logos to be removed from all Yes Campaign websites, and for undertakings to be given that no charity staff or resources will be used to assist the Yes Campaign.

The commencement of the formal referendum period is imminent. If this matter is not resolved by the end of January we will have to consider making formal complaints about the charitable status of these organisations to ensure that the referendum is conducted legitimately.

Thank you for your assistance in this matter. I am copying this letter to Ros Baston at the Electoral Commission, who is responsible for liaising with referendum campaigners, and to the chief executives of the charities mentioned in this letter.

Should you wish to discuss any of the points which I have raised, please contact me via either 07958 778 702 or william@no2av.org.

I shall be writing to you separately on another matter raised in my earlier letter to you dated 16 November.

Yours sincerely,

William Norton
Referendum Agent Designate

Cc: Ros Baston, Electoral Commission
Sylvia Brown, Chief Executive, Action with Communities in Rural England
Steve Johnson, Chief Executive, Advice UK
Jonathan Farthing, Trustee, Alban Neve Deaf Association
Ben Hughes, Chief Executive, BASSAC
Jeremy Crook, Director, Black Training and Enterprise Group
Tehmina Khazi, Director, BMSD
Melanie Gregory, Finance Manager, Brighton & Hove Working Together Project
Neil McInroy, Chief Executive, Centre for Local Economic Strategies
Niall Cooper, National Coordinator, Church Action on Poverty
Jim Robertson, Chair of the Enabling Group, Churches' Community Work Alliance
Andy Thornton, Chief Executive, Citizenship Foundation
Tony Burton, Director, Civic Voice
Nick Beddow, Chief Executive Officer, Community Development Exchange
Alison Seabrooke, Chief Executive, Community Development Foundation
Stephen Hammersley, Chief Executive, Community Foundation Network
Geraldine Blake, Chief Executive, Community Links
David Tyler, Chief Executive, Community Matters
Mervyn Wilson, Chief Executive & Principal, Co-Operative College



Hetan Shah, Chief Executive, Development Education Association
Bernard Godding, Chairman, Educational Centres Association
Dr Doreen Finneron, Executive Director, Faith Based Regeneration Network
Ceri Goddard, Chief Executive, Fawcett Society
Janice Marks, Head of Agency, Federation for Community Development Learning
Jeremy Iles, Chief Executive Officer, Federation of City Farms and Community Gardens
Andy Atkins, Executive Director, Friends of the Earth Trust
Heather Petch, Director, HACT
Penny de Valk, Chief Executive, Institute of Leadership and Community Management
Simon Burall, Director, Involve
Lorraine Roberts, Interim Director, London Civic Forum
Peter Lewis, Chief Executive, London Voluntary Service Council
Paul Farmer, Chief Executive, MIND
Kevin Curley, Chief Executive, National Association for Voluntary and Community Action
Sir Stuart Etherington, Chief Executive, National Council for Voluntary Organisations
Susanne Rauprich, Chief Executive, National Council for Voluntary Youth Services
Alan Tuckett, Chief Executive, National Institute of Adult Continuing Education
Stewart Wallis, Executive Director, New Economics Foundation
Maff Potts, Chief Executive Officer, Novas Scarman Group Limited
Linda Butcher, Chief Executive, Sheila McKechnie Foundation
Tony Blume, Chief Executive, Urban Forum
Richard Bolsin, General Secretary, Workers' Educational Association
Roger Miller, Trustee, World Development Movement Trust Limited