

## Paying Charity Trustees

### 10 Key Learnings from Arts & Homelessness International

Arts & Homelessness Int (**AHI**) is a global network of arts, creativity and homelessness; a UK registered charity which aims to connect and strengthen the sector around the world.

‘Authentic’ co-creation runs through everything we do and, from the outset, 50% of our trustees and staff are or have been homeless. It can be a huge struggle for trustees with lived experience to give up the time for free to attend board meetings when they are trying to make ends meet or to find work, working crazy shifts and all the worry that comes with this situation. This is a barrier to trustee recruitment and active board attendance.

We appealed to the UK Charity Commission to grant us permission to pay trustees with lived experience for their time and expertise. It may go without saying that the Commission’s starting point is that trusteeship is an unpaid responsibility. ‘A *charity trustee may only be paid for serving as a trustee where this is clearly in the interests of the charity and provides a significant and clear advantage over all other options.*’ ([Section 1 of the Commission rules on Trustee Expenses and Payments CC11](#)). **We were able to demonstrate a genuine exceptional need which resulted in the Commission granting us permission to pay ‘trustees with lived experience not on a full-time salary’.**

We have set out below **10 Key Learnings** from our experience which we hope will be helpful to other charities seeking to pay trustees. We cannot obviously guarantee other charities will be successful since the Commission will take each case on merit.

1. **Find a friendly lawyer:** We were lucky to have a lawyer on the board who could help with the process, give it more legal weight and looked through the wording of everything we were asking.
2. **Check your governing documents:** Make sure there is provision to pay trustees or that there isn’t any wording to prevent this.
3. **Apply via the Charity Commission website here:**  
<https://forms.charitycommission.gov.uk/Consent-for-Making-Payments/>
4. **Articulate a genuine need:** We were able to explain why it was important that 50% of our trustees had lived experience of homelessness and, despite having gone to great lengths to recruit, it had been extremely challenging, and some trustees were missing meetings for the reasons outlined above.
5. **Use the small payment rules:** [Paragraph 6.8 of the Commission rules on Trustee Expenses and Payments CC11](#) states: ‘Generally, the Commission does not expect charities to seek any authority for a small trustee payment where the payment will still

mean that total payments (excluding expenses) to all their trustees during the financial year will not exceed £1,000.' This, we felt allowed us to push an open door by asking for a bit more than what is statutory permitted. It was helpful that we did not anticipate needing authority for much more than £1,000.

6. **Be specific with numbers:** The Charity Commission wanted a clear idea of exactly how much would be paid to trustees annually. We were able to calculate this sum with precision with the following formula:

$$\begin{aligned} & (\text{Number of trustees expected to receive payment}) \times \\ & (\text{number of hours required to attend to board business during the financial year}) \times \\ & (\text{proposed hourly rate}) = \text{Total remuneration of trustees per annum} \end{aligned}$$

7. **Share evidence:** It is helpful to be able to share with the Commission any evidence you have gathered to support your application. We had anecdotal evidence that payment would be a valuable incentive to join the board and attend meetings regularly. We were also able to demonstrate that our proposed hourly rate was reasonable with benchmarking in our sector.
8. **Payment is not a complete answer:** The Commission were interested in other measures being taken to support our trustees with lived experience. We were able to explain that payment was just one part of a broader package of measures, which included board buddying, coaching and counselling. We also explained that we were cognisant of the impact payment could have on an unemployed trustee's state benefits, and that appropriate signposting would be given.
9. **Be proactive with board risks:** It was helpful to explain to the Commission that potential conflicts of interest would be managed and that we would put in place written agreements with trustees receiving payment, which could be terminated by the board if no longer required.
10. **Be prepared to answer follow-up questions.** The Charity Commission asked for evidence and clarifications by email. At the end of the process, we received a formal letter summarising this permission by email.

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