



# THE FORUM

The Journal of the British  
Muslim charity sector



*ISSUE 2, WINTER 2019/20*





# Bates Wells



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- Employment and immigration advice for Imams, volunteers and staff
- Property and development advice and advising on property disputes for mosques and Muslim charities

“  
You are in  
good hands  
with Augustus,  
masha Allah.  
”



To find out more contact Augustus Della-Porta, Partner in our Charity and Social Enterprise department, who leads our work with Muslim charities

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Our second edition of 'The Forum' continues the discourse started in the inaugural edition from Summer 2019. We take a closer look at some of the more difficult conversations we need to have including; administrative costs, addressing needs in the UK and learning points from the Charity Commission's investigations into Muslim charities.

## Acknowledgements

MCF has a dedicated team of staff and volunteers, all of whom contributed to the production of this journal including; Dr Atif Imtiaz, Fadi Itani, Anas Abu, Salma Begum, Saba Mughal and Francesca Floris.

We value your feedback and invite you to consider proposing contributions for the next edition of The Forum. Contact us via: [info@muslimcharitiesforum.org.uk](mailto:info@muslimcharitiesforum.org.uk) or call one of the team on 0203 096 1983

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# Stronger Together

The Muslim Charities Forum, founded in 2007, is the network of British Muslim charities dedicated to working for social good both at home in the UK and abroad.

Our role is to collectively improve our accountability, transparency and efficiency as a sector – to contribute to a more just and sustainable world. The Muslim charity sector has remarkable potential and has already done phenomenal work – it is now, more than ever before, imperative that we work together, combining skills and lifting each other up. Ultimately, our vision is to see British Muslim charities taking a central role in moving towards building a more just and sustainable world. Join the forum for visibility – influence – networking – training – knowledge exchange – representation

To request an application form or to find out more about how to become a member, call us on 0203 096 1983 or email [info@muslimcharitiesforum.org.uk](mailto:info@muslimcharitiesforum.org.uk)



## We Support

We support MCF members to enhance their capabilities, accountability, improve efficiency and ultimately to have a greater impact. We do this through delivering training, facilitating discussion forums, producing resources, collaborating on joint projects and celebrating successes.



## We Connect

We connect our membership to share skills, knowledge, experience and to mobilize resources. Our connected membership creates space to debate issues, engage with the wider sector including policymakers, governmental bodies and research institutions.



## We Represent

We represent and project our membership through a data-driven, self-confident, collective voice on big debates. We showcase our member's achievements and represent a strong united voice for the British Muslim charity sector.

Our members are united by a collective set of values, rooted in our shared Islamic faith.

Our values are:



## Accountability



## Effectiveness



## Excellence

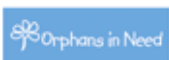


## Humanity



## Transparency

## Our membership includes



MUSLIM CHARITY



CHARITY  
RIGHT



# It is time to start investing in our future

**FADI ITANI**

**I**n our second issue of the Muslim charitable sector's first ever journal 'The Forum', we continue our commitment to provide a space for new ideas, constructive debates and refreshing and energizing discussions. We believe that the sector needs this space. We hope that, like the first issue of the journal, our second issue can offer a real insight into the inner workings of the Muslim charity sector in Britain, and furthermore, offer a platform to develop our collective work.

" WE MUST WORK TO PROVIDE TRAINING AND OPPORTUNITIES FOR OUR YOUNG PEOPLE AND RECOGNISE THEM AS THE FUTURE LEADERS THAT THEY ARE."

The Muslim charity sector is consistently growing – from a mere handful of charities in the 1980s to what it is now, at least one hundred international non-governmental organisations and over twelve hundred local organisations and Mosques. The achievements of this sector are great, and our potential is even greater. With our growth and our fundraising power, we have such an incredible potential to change the lives of millions of people across the globe, and here at home in the UK.

We cannot let this great potential, nor the incredible talent we have within our community and sector, go to waste. The world we inhabit can often be unjust and unequal. In this country and across the globe, we find that so many men, women and children go without at least one of the four fundamental rights, as outlined in the hadith of the Prophet (saws): "A home to live in, a garment to cover his nakedness, a piece of bread, and water" [At-Tirmidhi]. The right to shelter and sustenance is a right that should be afforded to all of us.

Whilst we, as a sector and community, work tirelessly trying to uphold this right, we are unfortunately still falling short and millions continue to suffer. The needs of those we serve stretch far beyond what we have the current capacity to offer – especially if we overlook opportunities to work collectively in areas where a unified response is of greater impact and effectiveness. Investing back into our sector and investing in capacity building can improve our efforts and help us to enact truly transformative change to save, protect and improve the lives of the world's most vulnerable.

Attempting to improve is futile if we do not observe and discuss what is needed in our sector. That is why 'The Forum' was developed: to provide a platform for highlighting important debates and discussions within our sector in order to foster growth, reflection and development. Firstly, we need to think about how we can shape the future of our sector. Our work continues to grow and without serious investment now, we cannot, realistically, expect to improve on our current state. For example, the youth are our future: they are passionate, driven, knowledgeable, and offer vast amounts of energy to our sector. They enter a world of work that sometimes doesn't recognise their talents and provide suitable avenues for them to develop their expertise, leadership skills, and experience. We must work to provide training and opportunities for our young people and recognise them as the future leaders that they are. Secondly, there is also a real need to develop a more research-centric approach to our work in order to improve operations, organisational infrastructure and, again, help to develop a skilled workforce. A research-centric approach helps us not only in our work advocating for our sector, but also in issues such as developing public trust, highlighting the value of the sector, and offering tangible data to reflect on within our organisations regarding the needs of our sector and the ways we conduct our work.

The reality is that, unfortunately, we have an acute issue of a lack of investment in

the areas mentioned earlier. This not only affects the future of our sector; it is costing us right now. We have a duty to serve, protect and improve the lives of communities globally and this is made so much more unnecessarily difficult due to our lack of investment. We are losing the trust of our donors, we are missing out on the incredible emerging talents within our community, and at worst, some charities are even struggling to function effectively due to a range of high-profile issues resultant from neglecting our collective duty to discuss, reflect, invest and change.

In closing, MCF's second issue of 'The Journal' offers an exciting and engaging insight into some of the most important, controversial and overlooked issues facing our sector. The articles within this issue range from discussions on governance within the sector to the debates surrounding the 100% donation policies. In bringing these discussions and debates to light through 'The Forum', we hope that we, as a collective, can reflect, continue these discussions and invest in our futures, so that we can ensure that we are doing our best to help those whom we wish to serve.



*Fadi Itani is the CEO of the Muslim Charities Forum. Fadi has experience in the community and charity sector for over 30 years. Prior to MCF, Fadi has held senior posts at the Qatar Charity UK, Islamic Relief, The Humanitarian Forum and served as CEO of Zakat House.*

# Aligning Muslim charities' work with the UN Sustainable Development Goals

**IQBAL ASARIA**

**T**he 17 UN Sustainable Development Goals are becoming the focal point on all discussion on development and sustainability. What started out as the 8 Millennium Development Goals (MDGs), mainly focussed on human development capacity in developing countries, has now blossomed into the 17 Sustainable Development Goals (SDGs) which are applicable to a universal constituency. Muslim charities need to be in tune with this rapidly evolving discourse and equip themselves to deal with it effectively.

It is likely that the growing awareness of Climate Change and the need for sustainable use of global resources is going to take centre stage in all debates on equality, fairness, justice and development. NGOs and charities will thus clearly need to align themselves to the SDGs if they are to retain their access to resources from donor organisations and to maintain the interests of their own target donor communities.

A simple review of the SDGs shows that many of them are exactly what one would wish for on a global scale. The key challenge is to design programmes and projects which deliver one or more of the SDGs in the target operational area. An important innovation of the MDGs and SDGs is the need to incorporate measurable outcomes from programme and project funding.

Faith and Muslim charities thus need to develop their expertise to incorporate an in-depth understanding of the SDGs into their programmes and projects. The bigger ones will need to develop policy units which inform their work. The smaller ones will need to inform their key personnel of the importance of the SDG framework. Muslim charities, in particular, can also make much more innovative use of Zakat collections to deliver some of the desired outcomes. Initial research in some Muslim countries shows that Zakat collections

increase manifold when charities and NGOs are able to report using measurable outcomes. The Charities Commission is also considering requiring charity trustees to incorporate SDG paradigm and its awareness into their remit of responsibilities.

"THE FINANCE SECTOR IS CURRENTLY LOOKING AT WAYS IN WHICH IT CAN CONTRIBUTE AND SUPPORT THE CHARITABLE SECTOR."

Apart from retaining their target donor base such an exercise is also likely to enable the NGO or charity to tap a much wider range of donor funding from a wide range of institutions which are tasked with delivering the SDGs. They may also be able to tap into the growing pools of social impact funding for their activities. Again, some outside the box thinking is needed to mobilise resources of these philanthropic foundations and funds. The finance sector is currently looking at ways in which it can contribute and support the charitable sector.

The growing need to align the activities of the charities to the SDGs will have a beneficial effect in creating the appropriate framework for achieving this goal as it will allow members of the financial world a way through which they can measure the impact of their contributions.



Iqbal Asaria CBE was formerly a member of the Governor of the Bank of England's working party set up to facilitate the introduction of Shariah compliant financial products in the UK market. He is Visiting Faculty at Bangor Business School and Visiting Faculty at Cass Business School. Iqbal is the organiser of the annual International Takaful Summit (ITS) and in 2019 Iqbal led the Afkar Group team in organising the first Responsible Finance Summit in London.





# Why administrative costs are necessary

TUFAIL HUSSAIN



Every single charity has administrative costs: sadly, many are judged on this alone. In the race to attract donors and prove that money is going 'straight to the cause', some charities even claim to have low or no administrative costs. In this article, I will argue why administrative costs are necessary; what they are for; why administrative costs are good for charities; and why they should not only be permitted, but embraced.

## Expectation versus reality

We, at Islamic Relief UK, recently carried out a survey on what the British Muslim community thinks about administrative costs. We learnt:

- Some people think charities spend as much as 80-95% on administration
- 71% believe that 0-19% is an acceptable rate for administrative costs
- 11.5% say charities should have no administrative costs.

When we told focus groups that Islamic Relief spends 12% on administrative and support costs, many people were "impressed": the figure was much lower than expected. They thought that this was a good thing.

However, assuming "high administrative costs = bad charity" and "low administrative costs = good charity" is misleading. It says nothing about the quality or suitability of aid, the impact it has on the lives of those we serve, or the sustainability of the goods or services delivered, nor does it highlight the extent to which the dignity of the beneficiaries has been protected, or the degree to which projects have been adequately monitored and evaluated.

The Financial Times<sup>1</sup> urges people not to judge a charity by its admin costs alone, explaining:

"First, in a good charity, all the money, including admin costs, is ultimately spent

on charitable activities. Second, composition of a charity's cost base is no indicator of its effectiveness. Charities in England and Wales must split their costs into three categories in their accounts: charitable activities, costs of raising funds and governance costs. This unhelpfully implies that managing oversight and raising funds are somehow separate from charitable activities. They are not. All charitable activities rely on someone having raised funds for them, while good governance ensures those funds are spent wisely. The costs in all three categories should ultimately support charitable activities."

However, given that charities are obliged by the Charity Commission to report on their administrative and support costs, we should explore what this means.

"SOME ORGANISATIONS CLAIM TO HAVE ZERO OVERHEADS. HOWEVER, ALL ORGANISATIONS NEED TO SPEND MONEY ON RUNNING COSTS. "

## What are administrative costs?

Although charities must be transparent in reporting costs, there is no standard way to define administrative and support costs. They can cover fundraising costs, governance costs (e.g. audits), monitoring and evaluation, transport to hard-to-reach areas when delivering aid, rent for buildings, insurance, appropriate staff salaries, volunteer expenses, furniture, stationery and equipment (e.g. laptops, phones).

The National Council for Voluntary Organisations (NCVO)<sup>2</sup> warns that "it can be a false economy to skimp on some of the 'back office' or infrastructure that charities need to get the job done properly. No

charity wants to spend more than it has to on computers, for example, but if its IT systems aren't up to the job, it could lead to inefficiencies and lost time."

The subject of administrative costs is even included in the Holy Qur'an, which explicitly states that those employed to administer Zakat funds are entitled to take costs – up to 12.5%. Surah Al-Taubah 9:60 states: "Sadaqah (ie Zakat) is for the poor, and the needy, and those employed to administer [the funds] ... [thus is it] ordained by Allah, and Allah is full of knowledge and wisdom."

## Does cheap mean good?

It may seem counterintuitive, but research shows that high-performing charities actually spend more on administration than weaker charities. Analysis by Giving Evidence<sup>3</sup> provides a case study on false economies:

"Imagine a water charity which operates in several less developed countries to improve irrigation. If it's run well, it will have a system for recording what works and what doesn't in particular circumstances, and for sharing that learning between its various country offices. Now, should the costs of that system count as 'administration'? On the one hand, the system isn't directly helping people: it probably involves databases and conference calls, rather than pipes and water. As a result, it may well be classified as 'administration' in a charity's accounts. However, the system will reduce the charity's costs and increase its effectiveness, and therefore certainly isn't waste. Aha – in this case, money spent on administration increases performance"

So what happens when a charity keeps administrative costs as low as possible? You may remember the charity "Kids' Company". The CEO, Camilla Batmanghelidj, boasted that "we kept overheads low". The organisation kept paper records for the 36,000 children and young adults it supported, stored in 80 filing cabinets.





The organisation collapsed in 2015. According to a report by a committee of MPs, "Poor record-keeping was a significant factor in the charity's collapse". Skimping on administration can be dangerous.

Some readers will remember the video we produced on aid, called 'Saving lives isn't easy'<sup>4</sup>. It showed a well-meaning young man, keen to do good in the world, by hopping on a plane and delivering aid to a remote community in Africa. However, he didn't know where the people were who needed assistance; what assistance they needed; or how to get it to them. This is clearly not how a professional development agency should work.

We also produced a mobile videogame, called Virtue Reality<sup>5</sup> - it shows the complicated process of delivering aid. It's not simply a matter of collecting a large amount of money, then travelling to another part of the world and distributing it amongst "poor and needy" people. First of all, an agency needs to carry out a needs assessment to find out what people need; local staff need to be recruited, appointed and trained; project plans must be drawn up; donations secured; items bought; projects delivered, monitored and evaluated; community outreach carried out. All of this costs money. But it is money well-spent in order to have maximum impact.

So how about sending home remittances following a disaster? We completely understand why some people prefer to send donations through their friends and relatives rather than through larger charities. However, there is a possibility

that this money may be wasted or not reach the people most in need. What type of tents and blankets should be bought? What takes priority: food or shelter? Which medicines should be bought as a matter of urgency? These are all extremely important decisions and require expertise and experience.

Susan Hitch, a trustee of various organisations, says: "I'm often worried if a charity claims very low admin costs. Either they're fudging it to try to please a funder, which doesn't promise much of a relationship, or their admin really is rock bottom, in which case they're unlikely to be well run. You can't run an effective organisation with barely any cost."<sup>6</sup>

### Charities need to be honest about running costs

Some organisations claim to have zero overheads. However, all organisations need to spend money on running costs. A charity needs a head office to control the organisation and to ensure compliance with laws and regulations. Even volunteers cost money: they need to be trained, coordinated and supported. Every charity needs to find some source for their running costs – if they don't take it out of donations that they receive from the public, then they have to take it from donations received from other donors, running charity shops or from gift aid.

Claiming that 100% of every pound raised by a charity is used exclusively for charitable purposes is, according to The Guardian,

"only an illusion, made possible because other costs incurred are covered by other income sources – such as grants ... the myth that charities can operate with zero overheads is utterly misleading and creates the illusion in the public's mind – and it damages the rest of the charity sector."<sup>7</sup>

#### MCF comment:

We approached charities that operate a 100% policy to ask them to provide a case for the 100% policy but unfortunately they were unable to provide an article in time for this publication. We would welcome a counter-argument from any charity that operates a 100% policy for the next issue of The Forum.



Tufail Hussain is the Director of Islamic Relief UK. He has over 14 years' experience in the sector, leading successful marketing and fundraising campaigns at a number of Muslim international development and humanitarian agencies. He is a Trustee at the Muslim Charities Forum (MCF) and was previously the CEO of Orphans in Need.

[1] [www.ft.com/content/17cbc96c-b5b6-11e7-8007-554f9eaa90ba](http://www.ft.com/content/17cbc96c-b5b6-11e7-8007-554f9eaa90ba)

[2] [www.ncvo.org.uk/images/documents/about\\_us/media-centre/reporting-on-charities-3-running-costs.pdf](http://www.ncvo.org.uk/images/documents/about_us/media-centre/reporting-on-charities-3-running-costs.pdf)

[3] [givingevidence.files.wordpress.com/2013/05/admin-costs-re-release-dec-20151.pdf](http://givingevidence.files.wordpress.com/2013/05/admin-costs-re-release-dec-20151.pdf)

[4] [www.youtube.com/watch?v=WPzigh4VwCM&t=31s](http://www.youtube.com/watch?v=WPzigh4VwCM&t=31s)

[5] You can download the game for free from the AppStore or Google PlayStore

[6] [www.theguardian.com/voluntary-sector-network/2013/may/02/good-charities-admin-costs-research](http://www.theguardian.com/voluntary-sector-network/2013/may/02/good-charities-admin-costs-research)

[7] [www.theguardian.com/voluntary-sector-network/2016/apr/26/charities-admin-costs-accounts-reporting](http://www.theguardian.com/voluntary-sector-network/2016/apr/26/charities-admin-costs-accounts-reporting)



# Wrap up - Human Appeal's UK project

ABID SHAH

In recent years, people living in relative poverty in the UK has been on the rise. Approximately 14 million people in the UK were in the relative low income bracket in 2017/18 with that number likely to have increased recently. Sadly, the number of deaths per year of homeless people in the UK has also increased rapidly. An estimated 726 homeless people died in England and Wales in 2018 alone, a rise of 22% from 2017. Often these deaths have been caused by the unbearable cold of the winter season. For many, something as basic as a good quality coat or a jacket is an unaffordable luxury.

The Wrap Up campaign is an award-winning, simple yet effective annual campaign organised by Human Appeal in collaboration with Hands On London. The campaign is based on a very straightforward concept - local communities within different towns and cities across the UK donating their spare coats and jackets to help those in need.

The campaign has successfully provided warmth to thousands across the UK by wonderfully bringing together different parts of the community for the last four years. Religious and educational institutions and corporate firms across the country organise collections, encouraging their staff and clients to donate their coats and jackets in the process. The campaign is also supported by Network Rail, Safestore, Collectplus and others who, with their extensive reach across the country, promote the campaign whilst also providing vital logistical support.

In 2018 over 30,000 coats and jackets were collected across the country and donated to beneficiaries through some fantastic local charities. Human Appeal coordinated the campaign in Manchester, Birmingham and Glasgow, working with the generous local communities and charities to ensure the project was a huge success. Volunteers played a big part, giving



4375 hours of their time to ensure the project ran smoothly and successfully. In 2019, the project grew and Leicester was added to the list of cities involved in the fantastic campaign. The volunteers collected and sorted the coats, ensuring they were all of good quality and thousands of coats were then donated to those in need.

"IN 2018 OVER 30,000 COATS AND JACKETS WERE COLLECTED ACROSS THE COUNTRY AND DONATED TO BENEFICIARIES THROUGH SOME FANTASTIC LOCAL CHARITIES."

Despite its simplicity, the impact of the Wrap Up campaign has been phenomenal. Poverty levels in the UK are taken for granted despite the fact that thousands across our communities are sleeping rough every night. Local charities tackling homelessness, helping vulnerable women and supporting asylum seekers in the UK have now started to seek Human Appeal out before the start of winter because of the desperate lack of coats and jackets for their beneficiaries. A local charity partner in Birmingham expressed their gratitude for the coats they received, saying the "donations will go a long way to helping our clients who are experiencing hardship".

There are many who benefited from and will continue to benefit from the Wrap Up campaign. With the campaign due to grow, Human Appeal looks forward to engaging more local organisations to once again deliver an impactful and effective Wrap Up 2020.



Abid Shah is Fundraising Manager for Human Appeal and has many years of experience in fundraising and community engagement. He also has a Masters in Islamic Studies from Newman university.

# Addressing issues at home: British Mosque case studies

HASSAN JOUDI

**A**side from a fraction of mosques in Britain supported with foreign donations, the vast majority of Britain's estimated 1,800 mosques were established and continue to operate thanks largely to the generous donations of the congregations they serve. Indeed, the history of the development of British mosques is itself a fascinating reflection of the socio-economic history of migration and integration of diverse Muslim communities from across the world who decided to make Britain their home.

Whilst explaining this to a colleague who grew up in a Muslim-majority nation in Asia where mosques are funded by the state, their realization that most mosques in Britain are largely self-funded was a genuine shock to them.

It is therefore not strange to appreciate that with such deep roots at home, more and more mosque leaders and volunteers are increasingly turning their focus to addressing social crisis issues affecting their children, neighbours and local communities on their door step.

One parent in their 30s in Lancashire explained to me that he began donating monthly to his mosque's Scouts group as he wants his son and daughter to grow up as confident young Muslims who can make a change in society.

During winter, several mosques nationwide see their community or function halls temporarily converted into shelters to accommodate the growing blight of homeless Britons sleeping rough on the street, as well as providing a warm meal for them on the coldest days of year.

Mosques in the Midlands are running regular food banks and counselling services where users are neighbours from the local area who have fallen on tough times, whether Muslim or otherwise.



Some Birmingham and London mosques have organised seminars on knife crime to address the rising issue of young Muslims in inner-city areas becoming embroiled in serious crime. This is in addition to working with local police to set-up a Knife Bank in or next to the mosque car park as a safe amnesty point to help take knives off our streets.

"MOSQUES IN THE MIDLANDS ARE RUNNING REGULAR FOOD BANKS AND COUNSELLING SERVICES."

And also in the path of collaboration, two mosques in North London have recently answered the call by the NHS for more blood donors from BME backgrounds by offering up their premises as official NHS blood donation centres, thereby encouraging their Muslims congregations to give blood, as well as welcoming in local blood donors of all faiths and none from the local area.

These and other innovative projects were recently show cased at the annual Our Mosques Our Future conferences, a national event organised by the Muslim Council of Britain (MCB), bringing together over 500 mosque leaders and volunteers

across the country to share best practice on how we can be running our mosques more effectively.

For these pioneering mosques, physical building features like domes or minarets were not necessarily required to succeed. But rather it is the vision and action of the mosque's leadership team and volunteers in addressing the social issues affecting them at home, which are the keys to their successful innovations now and in the years to come. There has, by the Grace of God, been progress in this area in the last few years. However, we look forward to more mosques stepping up to the plate to tackle some of the social issues we face in our communities at home.



Hassan Joudi is the Deputy Secretary General and Mosque Affairs Co-ordinator at the Muslim Council of Britain, the UK's largest and most diverse national Muslim umbrella body. Hassan believes passionately in the role of young Muslims as a driving force for positive change in society in Britain today. He works as a Chartered Mechanical Engineer in the energy sector.

# An examination of the inquiries conducted on British Muslim charities by the Charity Commission

DR. ATIF IMTIAZ

**I**t is a common feeling expressed within the British Muslim charitable sector that the Charity Commission has an Islamophobic or an anti-Muslim agenda. This explains why it has a higher level of interest in Muslim charities. In order to examine this sentiment and its veracity, we decided to read through every inquiry report that has been published on the Charity Commission's website and to consider the seriousness of the issues raised by the inquiry.

The Charity Commission is the government's official regulatory body. Its responsibilities include the need to maintain trust and confidence of the public in the charity sector. It can do this through promoting awareness of how charities should be run and ensuring compliance with legal obligations. The Charity Commission has a Regulatory and Risk Framework which defines the thresholds required for the Commission to initiate an inquiry which is its most serious form of investigation. The Commission's website states that it will consider opening a statutory inquiry where:

- 'the regulatory concerns and their surrounding circumstances are serious and where there are indications of misconduct and/or mismanagement
- there is a need to use regulatory powers
- there is a need to provide public assurance and otherwise safeguard public trust and confidence in the charity or charities more generally'

An inquiry may be opened therefore if there are 'indications of misconduct and/or mismanagement', or if there is 'a significant breach of trust or non-compliance with charity law' or a 'significant risk to charity

property, beneficiaries or the charity's work' or if there is a 'need to collect evidence'.

A review of all the inquiries conducted on charities registered with the Charity Commission found that there were 21 Muslim-led humanitarian charities that had been subject to inquiries between 2008 and 2019 (i.e. those inquiry reports that are available to read on the website). The total number of Muslim-led charities investigated by the Charity Commission during this period is 59 and the total number of charities that have been subject to inquiries is 296<sup>1</sup>.

"THE MAIN THEME THAT EMERGES FROM A REVIEW OF THE INQUIRIES IS POOR GOVERNANCE AND MANAGEMENT."

The total number of Muslim-led humanitarian-focused charities on the database that the Muslim Charities Forum is developing is currently 129. Of the 21 charities that were investigated by the Charity Commission, 12 are no longer on the Charity Commission's register either because they were removed by the Charity Commission or the charity decided to withdraw from the Charity Commission. This shows that about a sixth of the Muslim-led humanitarian sector has been subject to inquiries by the Charity Commission. Though the survey was of all available reports on the Commission's website, the majority of the inquiries by far have been conducted in the past five years. This contrasts quite sharply with an earlier focus on the educational sector by the Charity Commission. Nevertheless, this review of the inquiries conducted on British Muslim charities has found that there have

been many instances of serious malpractice and mismanagement.

It should be noted that the charities that have been found wanting are generally smaller in size and few inquiries have been conducted on some of the larger British Muslim charities. It should also be noted that despite these inquiries, the British Muslim charity sector is thriving – consists of over a hundred charities with an annual income of under half a billion which amongst other actions supports 80,000 orphans and by far the majority of this is audited: checked internally and externally by accountants. This is an incredible achievement.

The main theme that emerges from a review of the inquiries is poor governance and management. However, with the introduction of counter-terrorism legislation there has also been a focus on any possible support for extremist causes by Muslim charities. We will therefore initially consider some examples of inquiries that were conducted into charities due to allegations of extremism.





# Case studies

**Charity A** was investigated after an event was about to be organised in which a speaker was alleged to have extremist views. Money raised at this event was to be donated to the charity. The Charity Commission started an investigation into Charity A and it was while the inquiry was ongoing that a fundraiser was arrested by the police after falsely claiming to be a fundraiser for the charity. The charity had reported this incident to the Charity Commission as a serious incident report. The charity was provided with guidance and direction on how to improve its record keeping and accounting procedures.

**Charity B** was investigated because it hosted a speaker at an event in July 2014 in which he made inappropriate and unacceptable comments. This became the subject of a television documentary. The charity was deemed responsible for ensuring that speakers at events run by the charity do not make any comments which are extremist or unacceptable. It was found that the charity had an extremism policy but it did not follow it in the organisation of this event. The trustees who were present at the event also did not intervene nor correct the unacceptable statements. The charity was provided with guidance and direction on how to improve its management procedures.

The majority of inquiries concerning British Muslim charities however concerned poor management procedures. We will now consider some of the charities that have been investigated by the Charity Commission.

**Charity C** is a charity that was set up in 2014 for humanitarian purposes and participated in providing aid relief to people in Syria. It was investigated by the Charity Commission and received guidance. However, it failed to provide accounts on time and when it did so there was a large discrepancy between the figures quoted in the accounts and the charity's bank records. For 2014, the charity's accounts stated that its income was 24,798.01 though the bank account for the same year showed an income of 46,995.01. Trustee



meetings were not held as required by the governing document, and changes to the Trustee board were not communicated back to the Commission. The Trustees informed the Commission that the charity ceased to operate so it was taken off the register.

**Charity D** was investigated as it was collecting funds for charitable purposes though it was not registered with the Charity Commission. The charity was unable to provide accounts and funds were kept in the personal bank account of the sole Trustee. The sole Trustee was unable to meet with the Commission despite the Commission attempting several times to arrange such a meeting. The Commission ruled that there had been misconduct and/or mismanagement in the running of the charity.

**Charity E** was investigated and it was found that it had transferred over 53,000 pounds to the personal bank accounts of two agents acting on its behalf. The charity was unable to provide any documentation on due diligence that it had conducted on the two agents. The charity was provided with guidance and direction.

**Charity F** was investigated after an anti-semitic post was put up on its Facebook page. The charity did not have a policy on social media and on further inspection the charity was also found to have poor financial controls. The charity was unable

to account for 10,000 pounds worth of expenditure in Pakistan.

**Charity G** was investigated after one of its Trustees was stopped at Heathrow airport as he was about to board a flight to Istanbul. The report states:

'Trustee A initially told the Police that the purpose of his travel was for tourism and he was carrying £3500 cash which was from an insurance claim. Trustee B who was spoken to separately and at the same time told the Police that they were both travelling to Turkey on behalf of the Charity. As a result Trustee A then amended his account and admitted to carrying a further £10,000 in Charity funds raised from collections outside Regent's Park Mosque, London. It was apparent that Trustee B had no knowledge of the amount of cash Trustee A had in his possession'.

"TRUSTEES ACROSS THE SECTOR NEED TO BE FULLY AWARE OF THE RESPONSIBILITIES THEY CARRY"

The Commission examined the charity's accounts and found that the charity had made total payments of 327,793 pounds over a two-year period. Over half were through cash withdrawals (185,805 pounds). There was only one Trustee as

a signatory on the account. Two of the charity's Trustees stated that they did not give permission to the other Trustee to withdraw money from the account and take it abroad. Within Turkey itself, the charity could only account for 5,862 pounds worth of expenditure. An examination of the premises of the charity found receipts for a television, DVD player and dental work. The charity was also making loan repayments on a Mercedes car though there was no formal agreement in place concerning the car. The inquiry found that at least 99,000 pounds were spent on behalf of the charity and there was no evidence to explain how this money had been spent. Evidence of charitable work was provided by images posted on the Charity's website. These images however were pictures taken from other websites. The Trustees also never met in a trustee meeting, instead one of the Trustees would meet with each Trustee separately and produce minutes of whatever was agreed in these meetings. The charity is no longer registered with the Charity Commission.

**Charity H** had been investigated by the Charity Commission since 2010. It had received regulatory advice and guidance especially in relation to working internationally and conducting due diligence checks on potential partners. The charity submitted a serious incident report in 2012 after concerns were raised internally about its field offices in Sudan and Gambia. These allegations in relation to financial monitoring and record-keeping were of such a serious nature that the Charity Commission opened a statutory inquiry into the charity in 2013. The Commission met with the Trustees in 2014 and inspected the charity's book-keeping. The charity was then in 2015

directed to improve its financial management and to report back on progress. The Commission followed up on these actions in 2016. However, due to the lack of progress in implementing recommendations and also due to a series of complaints that the Commission had received the Commission decided to appoint an Interim Manager at the charity who was to work alongside the newly appointed Chief Executive Officer.

"IT SHOULD BE NOTED THAT THE CHARITIES THAT HAVE BEEN FOUND WANTING ARE GENERALLY SMALLER IN SIZE "

The Charity Commission has also conducted inquiries on Christian and Jewish charities since 2008 and we found that the Charity Commission has investigated 25 Christian charities and 23 Jewish charities since 2008. Though there isn't the same amount of interest in Christian and Jewish charities as there is in Muslim charities, by reading the reports one can see that the Commission has kept to the same exacting standard on charities run by members of other faiths. This should lesson the intensity of the charge that the Charity Commission has an excessive focus on British Muslim charities. It should also be kept in mind that the British Muslim charitable sector is much younger and that many of the charities investigated were newly formed. In time, one expects that there will be less investigations required into the Muslim charitable sector.



*Dr. Atif Imtiaz is MCF's Senior Research & Policy Advisor. Dr Atif has been the Academic Director at the Cambridge Muslim College. He has also published a book on British Muslims called 'Wandering Lonely in a Crowd'.*

[1] These figures are true as of 5th September 2019.

#### **MCF comment:**

We approached the charities mentioned in the Charity Commission investigations to provide their viewpoints, unfortunately some declined and others did not respond to our request. We would welcome comments in relation to the Charity Commission's investigations for the next issue of The Forum.

## **Lessons for the Sector**

There are clearly some important lessons to be learned across the sector from the inquiries that have been conducted on British Muslim charities. These lessons include:

- a) Trustees across the sector need to be fully aware of the responsibilities they carry – they essentially ensure that the charity remains trustworthy and that charitable giving continues to hold the confidence of donors
- b) Some of the people occupying senior positions of leadership within the sector are unaware of the legal and professional requirements of running charities
- c) There needs to be a broader discussion on the merits of opening smaller charities in response to humanitarian crises, large scale humanitarian disasters require specialist knowledge and many people setting up new charities come with a great deal of good will but lack expertise on how to provide aid in the most secure and professional manner
- d) Unfortunately, there will always be some unscrupulous individuals who will use charities as a way of defrauding the public. The sector needs to be aware of this possibility and should act to prevent any harm or unscrupulous behaviour as it may harm the sector as a whole

# Reflections on serving as Chair of the IDC

STEPHEN TWIGG

**I**t was a privilege to serve as Chair of the International Development Select Committee between 2015 and 2019 and to learn from the vibrant NGO sector which works hard to address the twin challenges of achieving sustainable development and humanitarian relief. The Muslim charitable sector plays a crucial and prominent role which makes a real difference to communities across the world.

The adoption of the Sustainable Development Goals in 2015 was an important milestone in the international community's efforts to address poverty, inequality and climate change. The Global Goals and the 2030 Agenda build upon the important progress that was made with the Millennium Development Goals (MDGs) in reducing extreme poverty. Unlike the MDGs, the Global Goals are universal and they emphasise inequality and sustainability as well as poverty reduction.

This agenda is challenging for the United Kingdom. Rightly, there is real pride in this country about our national commitment to development – whether it is cross-party support for spending 0.7% of national income on development assistance or the incredible generosity of communities across the UK in their charitable giving, especially in response to humanitarian crises. However, policy is not always coherent across different parts of the Government.

The United Kingdom showed real leadership in the drafting and adoption of the Global Goals in 2015. However, since then, there has not been the same sense of urgency about the implementation of the Goals. In particular, this has been the case in domestic policy where DFID's powerful focus on tackling poverty globally has not been matched in our own country. A striking example of this contrast is in how policy affects disabled people. DFID has shown welcome global leadership on disability-inclusive development yet in this



country disabled people's organisations raise real concerns about the impact of benefit changes on many disabled people.

“ACROSS MANY PARTS OF THE WORLD, WE HAVE SEEN AN INCREASE IN FORMS OF POPULISM WHICH QUESTION BOTH THE IMPORTANCE OF UNIVERSAL HUMAN RIGHTS AND THE LEGITIMACY OF THE MULTILATERAL INSTITUTIONS...”

My second example is about coherence between DFID's work and wider foreign policy. The importance of a rules-based system with strong and effective multilateral institutions is perhaps greater today than ever before. However, across many parts of the world, we have seen an increase in forms of populism which question both the importance of universal human rights and the legitimacy of the multilateral institutions upon which these rights depend. If these political forces continue to gain traction there is a risk that we fail to make the progress needed to achieve the Global Goals – for example on women's rights, climate change or good governance.

Three of the gravest humanitarian crises which we have seen in recent years are Yemen, Syria and the Rohingya. In each case, it is vitally important that the UK works both multilaterally and with civil society organisations to promote peace, justice and human rights. It is also crucial that we place a greater emphasis on prevention of such crises happening in the first place. We owe it to the millions of civilians who have borne the brunt of conflict not to forget about them but to work with them to rebuild their lives, their communities and their countries.



Stephen Twigg chaired the International Development Committee between 2015 and 2019. He served as MP for Liverpool West Derby (2010-19) and Enfield Southgate (1997-2005). He was Minister for Schools (2002-5).



# Leading the way

## ASIF AZIZ



It has been my guiding principle, as a British Muslim philanthropist, to find a niche where I feel I can make a real difference to causes

close to my heart. For me, this cause is education which has always been, amongst other things, a means of empowerment, of becoming independent, and a way of enabling one to effectively give back to society. My support for the Prince's Trust's Mosaic initiative providing mentors for primary school Muslim girls in the UK and Camfed's Campaign for Female Education that supports education for young girls in Africa attests to this. However, many barriers to educational opportunities remain, and I feel it is a matter of urgency to remove these. It is due to the value I place on education that the Foundation's priorities are now firmly focused on its scholarship schemes.

"I AM DRIVEN BY MY BELIEF IN THE POTENTIAL OF AZIZ SCHOLARS TO IMPROVE THE CIRCUMSTANCES OF BRITISH MUSLIM COMMUNITIES."

Since its inception, the Aziz Foundation has worked primarily to provide maximum support to the most disadvantaged and unrepresented communities across Britain, of which the Muslim community is one of many. Within this, the Foundation aims to prioritise the education of young British Muslims which in addition to its own benefits will also help improve public perception and promote fairer representation. Through this we hope to bridge the gap between such communities and the wider public allowing for our scholars to apply their acquired leadership skills across their field of choice. Whether it be academia, advocacy, arts, humanities or science, the Aziz Foundation believes the time is ripe for Muslims to realise their potential as agents of change.



In our first year of running this scheme, we initially offered 50 scholarships but due to the overwhelming demand and high calibre of applicants, we found ourselves, again and again, increasing the number awarded until we eventually awarded over 150 scholarships. It has been truly humbling to see so many committed and talented young Muslims come through this scheme. I've been extremely impressed with their sincerity and determination to serve their communities.

For our 2020 scheme we are offering 250 scholarships, and I am keen that these are awarded to truly deserving recipients, who couldn't otherwise afford to study, to progress their careers and give back to British society. I eagerly look forward to seeing our new scholars come through and hope to see them forge new collaborations and partnerships amongst themselves.

While I am apprehensive of the scale of the challenges that Muslims face within Higher Education and in their professional lives, I am driven by my belief in the potential of Aziz Scholars to improve the circumstances of British Muslim communities; I believe in their ability to present the best face of Islam; and I believe in their vision, as they seek to resolve the complex issues our ummah and society faces.

Finally, and in all humility, I want others who are also blessed with wealth to also consider ways in which they can give back to their communities. I have been truly

heartened by the potential that is amongst our youth and I am glad that I have taken this opportunity to support them. I encourage others to do the same.



Asif Aziz is a property entrepreneur and philanthropist. He is the Founder and CEO of Criterion Capital, which is the largest landowner between Piccadilly Circus and Leicester Square. He is also the Foundation's Chair. His interests include primary school education, tackling homelessness and international poverty relief.

# On mergers between charities

ALEX SKAILES



avoidance of duplication and the role of mergers, have become increasingly prominent topics in the current debate surrounding charities' governance and performance.

At Cass, our Centre works to enable charities to maximise their effectiveness. As part of this, it's our aim to encourage Boards and their management teams to consider at regular intervals, whether their organisations could achieve more by joining with another. It is a subject that we encourage our Charity MSc students and Executive Education delegates to debate, underscoring that due consideration must be given to the arguments for and against, while always holding the interests of their organisation's beneficiaries at the centre of their thinking.

"FOR OTHERS, A MORE FORMAL MODE OF COLLABORATION CAN REAP SIGNIFICANT BENEFITS, ALLOWING THEIR CHARITABLE AIMS TO BE DELIVERED MORE EFFECTIVELY AND POTENTIALLY, WITHIN A SHORTER TIMEFRAME."

There is certainly no one right answer and the optimum strategy for one organisation at a particular time, will not be the best for another. For some organisations staying beautifully small is the way they can meet best their current and future beneficiaries' needs. For others, a more formal mode of collaboration can reap significant benefits, allowing their charitable aims to be delivered more effectively and potentially, within a shorter timeframe.

Join, amalgamate, combine are just some of the words I hear referred to. The Charity Commission gives a definition of merger in their Guidance Note CC34. In its fullest sense it can mean two or more separate charities coming together to form one; a new charity may be formed to continue the work or take on the assets of the original charities, or one charity may assume control of another. But this is narrow thinking and one shouldn't lose sight of other options; from the formation of a group of charities operating through a parent and subsidiary structure with a common sense of control and overall purpose, to alternatives such as joining support functions, be it finance, HR or technology, or amalgamating one particular aspect of charitable activity.

Invariably, merger is associated with an increase in scale and a charity's ultimate focus should be always on the increase in the positive social or environmental change that can be created, rather than top line income for income growth's sake alone.

Boards should be asking whether expansion will facilitate their organisation to reach more unmet need, allow engagement with a more diverse population, give wider geographical reach or enable access to services on a more consistent and higher quality basis.

With growth comes an analysis of economies of scale and cost savings and this is where discussions frequently come to a halt. The barrier cited being that the level of predicted savings simply do not justify combining forces. Indeed, while there may be potential for some savings, the reality for many smaller charities is that their costs are already pared down to the minimum. It is necessary to look beyond the direct finances to the other advantages that merging could potentially bring and to explore potential for increased or new capabilities. These could include opportunities to upskill, to gain specialist knowledge or a chance to evolve through enhanced creativity or innovation. There may be access to new technologies or an

opportunity to share risk in an increasingly compliance driven environment. The list could continue.

With merger discussion on the Board agenda as an annual standing item it will be considered less contentious and will give Trustees the opportunity to consider whether their current operating stance truly gives them the greatest ability to deliver their charitable objectives. Proactive, timetabled discussion creates time for debate on whether merging can be used as a positive strategic tool. Too often these discussions are left too late, with any resultant mergers being associated with financial fragility or failure.

As ever, it has to be about holding the charitable cause absolutely at centre stage and not blurring what's in the best interest of the organisation with that of its beneficiaries.



Alex Skales is Director at Cass Business School's Centre for Charity Effectiveness and co-lead for the Resource Management module on their Charity MSc programme. She is an experienced chair and trustee and is currently on the finance and audit committee of the Seckford Foundation. Alex's research focuses on charity mergers and collaborations and the resultant social value created.

# A good neighbour is better than a bag of money

MATTHEW GERAGHTY



ommunities thrive where neighbourliness exists. Which is why good neighbours are worth their weight in gold.

Perhaps more. And we

at Human Relief Foundation believe in being good neighbours. It is the engine of our humanitarian work. An approach that sees the idea of neighbourliness extend far beyond our doorstep, or street end, to encompass all humankind. In a progressively atomized world, in which people appear to be forgetting that the essence of humanity is connectedness, it provides a counterpoint.

Fortunately, neighbourliness is neither a myth, nor an artefact of a bygone age, and most of us have an understanding, if not a definition of it – with the idea of being able to borrow a cup of sugar common shorthand for it. And whilst this is, in many ways, a seemingly ordinary, everyday, run-of-the-mill, concept. It contains within it a transformative power few would believe. For not only is it able to connect us at an individual, personal, level. Diminishing distance between people and their communities, between ourselves and our donors, between our donors and our beneficiaries. However, it requires action. Neighbourliness is never passive.

“NEIGHBOURLINESS IS  
NEITHER A MYTH, NOR AN  
ARTEFACT OF A BYGONE  
AGE”

Getting this message across is as important as the reality of our operational practices. For although you can't simply judge a book by its cover, the cover contains a promise that the exterior will reflect what is found within. And our challenge as a charity is to continuously ensure that the content of our work aligns with this neighbourly promise.



Particularly as we live in a period of time in which there has been a slow erosion of trust in many of the major institutions of state. Where fake news, and empty brand claims cause people to cast an equally jaundiced eye over the working practices of the charity sector, as they do with any other area of twenty first century life.

These social changes have provoked a response within the sector, but also wider society. And that response is a search for the authentic – and in this context authenticity has a very human face. A neighbourly face we would say. With our supporters now wanting to see where, how, and by whom, their charitable donations are utilised. But clarity, that ability to clearly see the 'truth' of an organisation can be difficult if one is faced with a well-polished brand. It is therefore important for us to develop close, intimate, relationships with our communities, so as to produce a shared sense of purpose and belonging.

This connectedness is in many ways exemplified by our fundraisers, whom our supporters see not only raising money but also distributing the aid. Acting, in a very literal sense, as the donor's hands, fulfilling their neighbourly obligations, and in doing so, closing the gap between us all. It is an approach further supported by our volunteer deployments which give donors the opportunity to accompany our

teams in physically distributing aid abroad. Experiencing, for a brief time, the life of an aid worker, whilst simultaneously becoming, almost without exception, long-term supporters and advocates.

In uncommon times it is sometimes the most common approaches that reap the greatest rewards. And so it is with neighbourliness. A simple concept, stripped of artifice, it is both a call to action, and a reminder that we are an unusually sociable animal, which thrives on community.



Matthew Geraghty is head of marketing & communications at Human Relief Foundation where he is leading the organisation's approach to 'storytelling' practices. He has previously worked as a communications consultant, magazine editor & journalist, managed arts & heritage sites.



# Challenging falsehoods in the media

HELENA SHIPMAN



Warren Buffet once said "it takes twenty years to build a reputation and five minutes to ruin it." It follows therefore that it should be fiercely

protected.

The phone rings. It's your Press Office. A newspaper has published an article which contains a large number of statements that are not only untrue, but also highly defamatory of your organisation or people within it. The damage to your reputation is potentially extremely significant, not least as it may impact on donor revenue and attract increased scrutiny from regulators and elsewhere.

So what do you do? One option is of course to do nothing, and to hope that the story blows over (which can sometimes be the only option). Alternatively you could challenge the article publicly by releasing your own statement (although this sometimes can serve only to inflame the situation). Another option is to "take a stand", and challenge the article and its publisher through legal means.

There are a number of issues you will need to consider before taking up this latter option. First of all, you (or your lawyers) will need to consider the merits of a complaint. This will include considering the nature of the allegations in question: how serious are they? Are they allegations of fact (e.g. x is a terrorist) or are they more qualified (e.g. there are grounds to suspect that x is a terrorist)? Were you contacted by the journalist before the article was published, and if so, does the article include your side of the story? Are individuals named in the article or just your organisation? All these will factor into the merits of bringing a legal complaint.

Secondly, do you feel that you have any choice? Perhaps hardly anybody read the article, and those who did would not have believed the allegations. Or maybe the opposite is true. Certainly if the allegations were extremely serious and published in



a national newspaper, you may feel that in order for your organisation to survive, it needs to be seen to be challenging the story. However, litigation can be extremely expensive, and is always an enormous drain on your time, energy and resources. We always tell clients that litigation should only be entered into as a last resort.

"IT TAKES TWENTY YEARS TO  
BUILD A REPUTATION AND  
FIVE MINUTES TO RUIN IT"

There is, unfortunately, no one right answer. When newspapers obviously cross the line, the decision can be more straightforward. But more often than not, it can be death by a thousand cuts; allegations which are qualified, which cross the line but maybe only just. It will be a question of judgment for you, together with your lawyers, as to if and when to step forward and pursue a legal complaint.



Helena Shipman is a Senior Associate at Carter-Ruck. Amongst other things, she advises on defamation, misuse of private information and data protection claims (pre and post-publication) and non-party disclosure applications. She regularly acts for individuals and corporate clients in cases against national newspapers, search engines, social networks and individuals.

# How the Beacon Programme is helping smaller charity Chairs

ISABEL LOCKE



he role of the Chair in any organisation is very important. The Chair needs to know what to prioritise and how to make best use of the

limited time available from the trustees. A board may be full of talented individuals, but it is up to the Chair to ensure that the skills of those talented individuals are used in the most effective and impactful way. The Association of Chairs has been set up to provide support to Chairs of charities in England and Wales, through providing workshops, webinars and tips and guides

Our Beacon Programme was set up in 2017, to support Chairs of smaller charities (i.e. those with an income under £1 million). It offers events and free practical resources aimed at supporting Chairs and Vice Chairs to be as effective as possible. It's a funded programme and is completely free to join.

"THE BEACON PROGRAMME  
AIMS TO SUPPORT GOOD  
CHAIRING THROUGHOUT  
THE NOT FOR PROFIT  
SECTOR."

The Programme has been developed with the complexities of chairing a smaller organisation in mind; such as working with a smaller number of trustees and individuals often having both operational and governance roles. It is aimed at new Chairs and Vice Chairs as well as those who are more experienced. It gives Chairs and Vice Chairs the unique opportunity to share learning and sources of support with others from other small organisations.

The Beacon Programme aims to support good chairing throughout the not for profit sector. Chairing is a key leadership



role and a good Chair will have a positive impact on their charity. Although legally the Chair has the same status as all the other board members, they do have a unique position of responsibility and leadership. The role requires a firm understanding of good governance and legal responsibilities, but also softer skills such as developing a strong board team, working well with their trustees and overcoming difficult relationships.

The Programme supports Chairs to address these challenges. It's divided into four modules: Being an effective Chair, Strengthening your organisation, Managing relationships and board dynamics and Developing an effective board team. Each module has workshops which take place in regions across England, webinars and resources (tips and guides) which provide more information on the topics. We are now looking at developing peer support options, particularly online to ensure we reach as many Chairs and Vice Chairs as possible.

Find out more about the Beacon Programme and join for free.

Fadi Itani writes: There are now many small British Muslim charities and as Isabel has stated here the role of the Chair is important and more so in smaller charities. I would like to encourage chairs to consider joining the Beacon programme. It is a unique programme and I am sure that small charities will benefit from it.



Isabel Locke is the Manager of the Beacon Programme. She has met and worked with many Chairs and Vice Chairs through supporting delivery of the Beacon workshops. She is currently developing more workshops, webinars and peer support opportunities for the Beacon Programme next year.

# Waqf and charity law

AUGUSTUS DELLA-PORTA



Waqf (plural awqaf) is a form of charitable giving within Islam, being an endowment of property or investment for a charitable purpose, whereby the assets are retained with the profits applied for that charitable purpose.

The concept of waqf goes back to the time of the Prophet Mohammed (pbuh). One hadith reports the Prophet (pbuh) as saying "When a man dies, all his acts come to an end, but three; recurring charity (sadaqah jariyah) or knowledge (by which people benefit), or a pious offspring who prays for him". Establishing a waqf enables an ordinary voluntary act of charity (sadaqah) to be repeated in perpetuity so that a single act of giving becomes sadaqah jariyah (recurring charity).

Waqf has historically played an important socio-economic role in Islamic history, providing not only traditional places of worship but also being used for education, health services, civil infrastructure, and more unusual purposes such as assisting pilgrims to go on Hajj and looking after animals. Its advantage over other forms of charitable giving such as sadaqah and zakat is its inherent permanence and ability therefore to focus on long-term projects and issues which can generate sustainable benefits for beneficiaries.

The traditional concept of waqf in Shari'ah law is akin to permanent endowment under English law. Permanent endowment is property belonging to a charity that the charity must retain; while income can be spent, the capital cannot. Whilst it has the advantage of protecting the endowment from the donor's perspective and more closely resembles a traditional waqf, it is an inflexible way of holding funds, with a number of restrictions on how those funds can be spent. It is worth noting though that there are powers to spend permanent endowment under charity law (for example, the total return approach). It is possible for charities to set up a waqf as permanent endowment, but worth noting that for existing charities that are companies (or CIOs), they cannot hold permanent endowment as part of their own property



but instead act as trustees of a trust of the permanent endowment, and such funds may be available to creditors on insolvency unless properly constituted.

"A NUMBER OF MUSLIM CHARITIES IN THE UK HAVE ESTABLISHED CASH AWQAF WHICH ALLOWS DONORS TO INVEST IN SHARI'AH-COMPLIANT WAQF 'SHARES'"

Recent Islamic rulings to reinterpret waqf, means that waqf, particularly as 'cash waqf', can be seen as a new philanthropic model of sustainable social enterprise. Muslim-majority countries such as Malaysia and Bangladesh have seen an increase in awqaf particularly in areas such as microfinance, education and health care.

A number of Muslim charities in the UK have established cash awqaf which allows donors to invest in Shari'ah-compliant waqf 'shares', where donations are invested in Shari'ah-compliant investments with returns on these investments used to fund projects such as hospitals, schools and sustainable livelihood projects.

Waqf has had an important role in traditional Muslim societies; hospitals and

schools amongst other institutions have been set up from Cairo and Istanbul to Jakarta which run to this day. There are very few funds set up as awqaf in the United Kingdom. As the Muslim community continues to grow in the UK, perhaps the setting up of waqf funds will be another way through which the already generous Muslim community will fund sustainable projects benefitting people in the UK and overseas.



Augustus Della-Porta is a Partner with Bates Wells. He leads on advising Muslim charities and not-for-profits in the UK and overseas, and charities operating in the Arab region and Muslim-majority countries. He is particularly passionate about working with Muslim organisations and the Muslim community being part of the community himself and having lived and worked in the Arab region for many years.



# Learning first-hand about the sector

FRANCESCA FLORIS



began my journey with Muslim Charities Forum after completing the second year of my undergraduate degree in International Relations from

SOAS, University of London. I have always been passionate about world affairs, social justice and humanitarianism, but I found that my knowledge of international development specifically was lacking. MCF recognised my interest and passion and they gave me an opportunity to learn more under the mentorship of colleagues and associates with a vast wealth of experience and knowledge in the sectors through the Future Leaders Programme. The programme introduced me to a new world and I was so fortunate to spend time with individuals such as Dr Hany El-Banna, amongst others. I was privileged to listen to their stories of decades spent working across the world in service to others, their incredible commitment to the sector, and the sheer amount of knowledge they have accumulated over their years of dedication. To have such access is truly remarkable and honestly invaluable to the youth; these people are, to put it quite plainly, our role models.

What I found most valuable about the Future Leaders Programme was that it did not consist of mundane tasks like making tea or filing which I myself, as well as many of my friends, have experienced in internships and work experience elsewhere. The Future Leaders Programme consisted of real and challenging work. It recognises potential and that growth can only truly occur through challenges and through pushing beyond what we believe we can achieve. But, this cannot be done alone, and MCF, I believe, succeeded in providing a supportive environment whereby this growth could more effectively take place.

## Taking the next step

I'm usually the planner in my friendship group, the one who creates a full itinerary for a simple day trip. So... it feels strange, at this point in my life, to not have a clear plan ahead of me. For many graduates,

leaving university can be a time of intense worry and anxiety about the future. It may be the start of the rest of your life, but the uncertainty is scary, even if exciting. Whilst I'm certainly not immune to these feelings of dread about what the future could (or could not) bring, I am so grateful for the inner confidence, skills and knowledge MCF has helped to build in me. The Future Leaders Programme is truly a great asset not only for young people or those seeking to start down a new career path, but also for the sector as a whole. I'm not sure yet exactly where I want to be in ten years' time - or even a year for that matter. But MCF has taught me that I have a lot to offer and the team at MCF has instilled in me so many transferable skills that will be immensely valuable whether my path continues in the charity sector, or whether I should go on to work in teaching, politics, research and so on. As a young person,

"WHAT I FOUND MOST VALUABLE ABOUT THE FUTURE LEADERS PROGRAMME WAS THAT IT DID NOT CONSIST OF MUNDANE TASKS LIKE MAKING TEA"

especially as a young woman, to feel valued in the workplace and to be made to feel that you have genuinely got something to offer, is so important and necessary for growth and self-esteem. Whilst the future may be uncertain, with trust in Allah (SWT) and with the foundation (and work family) that MCF and the Future Leaders Programme has provided me, it does not feel so daunting to take life's next big step.



Francesca is currently studying for her master's in History from Queen's University Belfast, after graduating in 2019 with a First Class degree in International Relations from SOAS, University of London. She began her journey with MCF through the Future Leaders Programme, and, upon the end of her internship, became a part of the core team as the Special Events Officer, before taking up her current role as MCF's Digital Content Officer.



# Take a seat at the table **Join MCF's membership today**

Muslim Charities are here to stay, and we will only get stronger together.

The Muslim Charities Forum, founded in 2007, is the network of British Muslim charities dedicated to working for social good both at home in the UK and abroad. Our role is to collectively improve our accountability, transparency and efficiency as a sector – to contribute to a more just and sustainable world.

MCF is changing the landscape for Muslim charities in the UK, we support our members through increased visibility, influence, networking, training, knowledge-exchange and representation.

**Call us for an informal chat about becoming a member on 0203 096 1983,  
or email us at [info@muslimcharitiesforum.org.uk](mailto:info@muslimcharitiesforum.org.uk),  
we will send you introductory information about member benefits.**



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**Invest in the future of the sector.** MCF is mostly funded through our membership fees, we welcome the opportunity to discuss investment from Trusts, Foundations and individual philanthropists. If you are keen to invest in the future of the Muslim charity sector, to drive the change taking place, please do get in touch.

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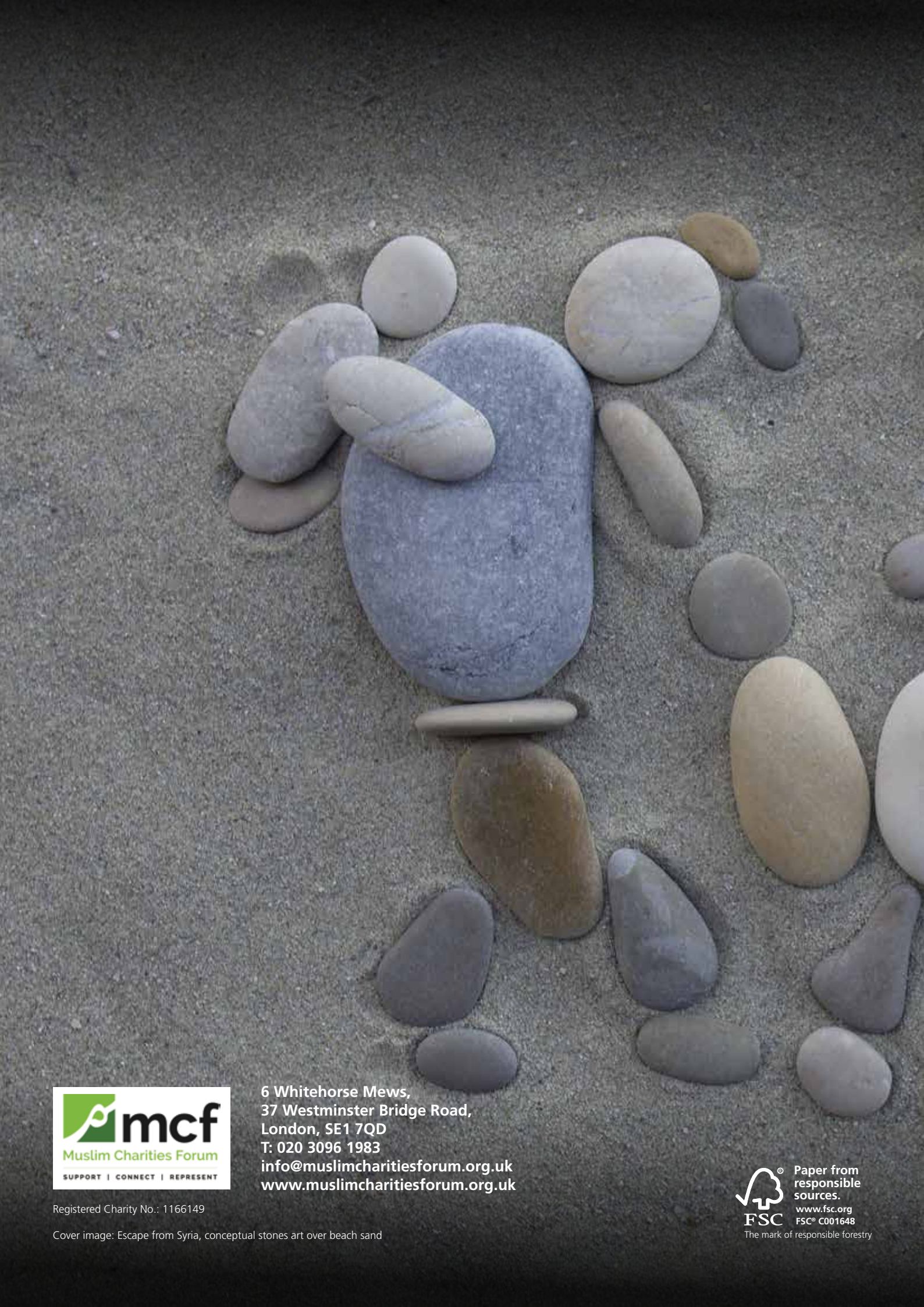


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Cover image: Escape from Syria, conceptual stones art over beach sand

