



THE CANTERBURY PILGRIMS BOAT CLUB

Review of the Club's Constitution and Structure

A sub-committee consisting of Darrell Barnes, Alastair Brown, Ewan Pearson and Andrew Rudkin has met to consider options for a new governance structure for CPBC.

Background information

The constitution of CPBC was drawn up in 1992 and last amended in 2005. It does not reflect best custom and practice in managing a club like CPBC, neither does it conform to British Rowing's requirements for rowing clubs. The sub-committee's terms of reference were (a) the current constitution needed updating, and (b) at the March 2017 AGM the club asked the committee to consider converting to a charitable structure, in order to better fulfil its constitutional aims and expand its sphere of operations, in particular, developing Westbere Lake. The sub-committee considered six courses of action:

1. carry on with the existing constitution
2. adopt/adapt the Charity Commission Model Constitution for a membership organisation
3. adopt/adapt the Charity Commission Model Constitution for a trust
4. form a Company Limited by Guarantee (CLG)
5. form a Charitable Incorporated Organisation with voting members (Association CIO)
6. form a Charitable Incorporated Organisation with trustees only (Foundation CIO)

All but the first structure are capable of being registered with the Charity Commission, but there is no guarantee that the CC will grant charitable status. If charitable status were granted, then CPBC would be able to register with HMRC in order to obtain Gift Aid tax relief on donations and subscriptions.

1 Existing constitution

This is now quite ancient and doesn't properly cover best practice in running a membership organisation. Liability of the Management Committee is unlimited and there is no provision in the constitution for purchasing indemnity insurance.

2 CC Membership Organisation

This is up to date and reflects best practice. It allows for election of the Management Committee (also referred to as trustees) by CPBC's membership at each AGM and can also incorporate elements of British Rowing's model constitution (see the separate para on British Rowing below). Liability of the trustees is unlimited, but there is provision for purchasing indemnity insurance against acts except fines, fraud or dishonesty, or wilful or reckless misconduct (or misconduct which the trustee ought reasonably to have been aware of).

3 CC Trust

This too is up to date and reflects best practice. Trustees are appointed (a term of office can be written into the Trust Deed) by the existing Trustees. There is no membership of a trust so provision will have to be made for occasional consultation with the members (who strictly speaking should be referred to as donors). Liability of the trustees is unlimited, but there is provision for purchasing indemnity insurance (as above).



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4 Company Limited by Guarantee (CLG)

This is a long-established structure frequently adopted by membership organisations. This creates a separate legal entity with members being liable to pay the sum of £10 (usually) to contribute towards the payment of debts and other administrative costs in the event of the company being wound up. The persons in charge of running the CLG are referred to as directors (not trustees, though they will be considered as trustees by the Charity Commission). Directors are appointed by the members at an AGM or by the existing directors (usually to fill a vacancy which might arise between AGMs). Directors are entitled to be indemnified out of the CLG's assets against negligence, default, breach of duty or breach of trust. Indemnity insurance may be purchased (as above).

5 Charitable Incorporated Organisation with Voting Members ("Association" CIO)

This structure has become available since January 2013; it is similar in concept to the CC Model Constitution for a membership organisation (2 above) but has the advantage of being a separate legal entity. Members' liability to contribute towards dissolution costs is optional. Trustees (who retire in rotation) are elected by members at an AGM. Trustees are entitled to be indemnified out of the CIO's assets against negligence, default, breach of duty or breach of trust. Indemnity insurance may be purchased (as above).

6 Charitable Incorporated Organisation with Trustees only ("Foundation" CIO)

This is similar in concept to the CC Model Constitution for a Trust (3 above) but has the advantage of being a separate legal entity. Members' liability to contribute towards dissolution costs is optional. There is no requirement to hold an AGM and Trustees (who retire in rotation) are appointed by the existing trustees. A class of non-voting membership may be created which would allow the voice of the ordinary members to be heard. Trustees are entitled to be indemnified out of the CIO's assets against negligence, default, breach of duty or breach of trust. Indemnity insurance may be purchased (as above).

Conclusion

The sub-committee concluded that a motion should be laid before the forthcoming EGM that CPBC should apply to become a **Charitable Incorporated Organisation following the Association Model (structure 5 above)**. Should that application fail, the CPBC would apply to become a **Company Limited by Guarantee but without charitable status (structure 4 above)**.

British Rowing

Discussion (led by Andrew Rudkin) took place with British Rowing about how BR's rules, regulations and safeguarding policies might be incorporated into CPBC's new constitution in order to make it compliant. Some specific clauses in the constitution requiring the trustees of CPBC to be responsible for adhering to BR's policies, together with regulations which set out in more detail what those policies are and that they will be adopted by CPBC, would seem to be satisfactory.

Darrell Barnes and Ewan Pearson

15th August 2017



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Comparative features

	Existing constitution	Membership Organisation	Trust	CLG	CIO Association	CIO Foundation
Liability of trustees	Unlimited	Unlimited	Unlimited	Limited (£1)	Nil	Nil
Indemnity insurance available	N	Y	Y	Y	Y	Y
Appointment of trustees	Members	Members	Trustees	Members	Members	Trustees
Membership	Y	Y	N	Y	Y	N ¹
Regulator	None	CC	CC	CC/CH	CC	CC
Employ staff	N	N ²	Y	Y	Y	Y
Own property	N	Y	Y	Y	Y	Y
Borrow		Y	Y	Y	Y	Y
Invest		Y ³	Y ³	Y	Y	Y
Audit	Informal	Y ⁴	Y ⁴	Y ⁴	Y ⁴	Y ⁴
Delegation to sub-committees		Y	Y	Y	Y	Y
Power to make rules		Y	Y	Y	Y	Y
Annual General Meeting		Y	N	Y	Y	N
Registration fee		N	N	£12	N	N

¹ A class of non-voting membership may be created

² Not specifically mentioned in the model constitution

³ Authority to invest is authorized by the Trustee Act 2000

⁴ Independent Examination is required for income above £25k