



Rules Work – Architecture Decisions

The Brief

MOTION B)

That the Council adopt proposals A to F in the Council Review Action Group Summary of Findings and Proposals. Proposed by Dr Phillip Barnes (Kent County Association), seconded by Prof Patrick Wheeler (University of Bristol Society).

CRAG PROPOSAL F)

*The Executive will recruit a small group whose task will be to simplify the rules of the Council, replacing them with a short statutory set of rules supported by a set of operating principles and procedures. All of the necessary **rule changes** required by the **foregoing proposals** will be incorporated into this work. The new rules and supporting documents together with any other outputs of this group should be compliant with Charity Commission guidance. The Executive will report back to CoRe in May 2018 with a recommendation for adoption at that meeting.*

CRAG PROPOSALS A to E

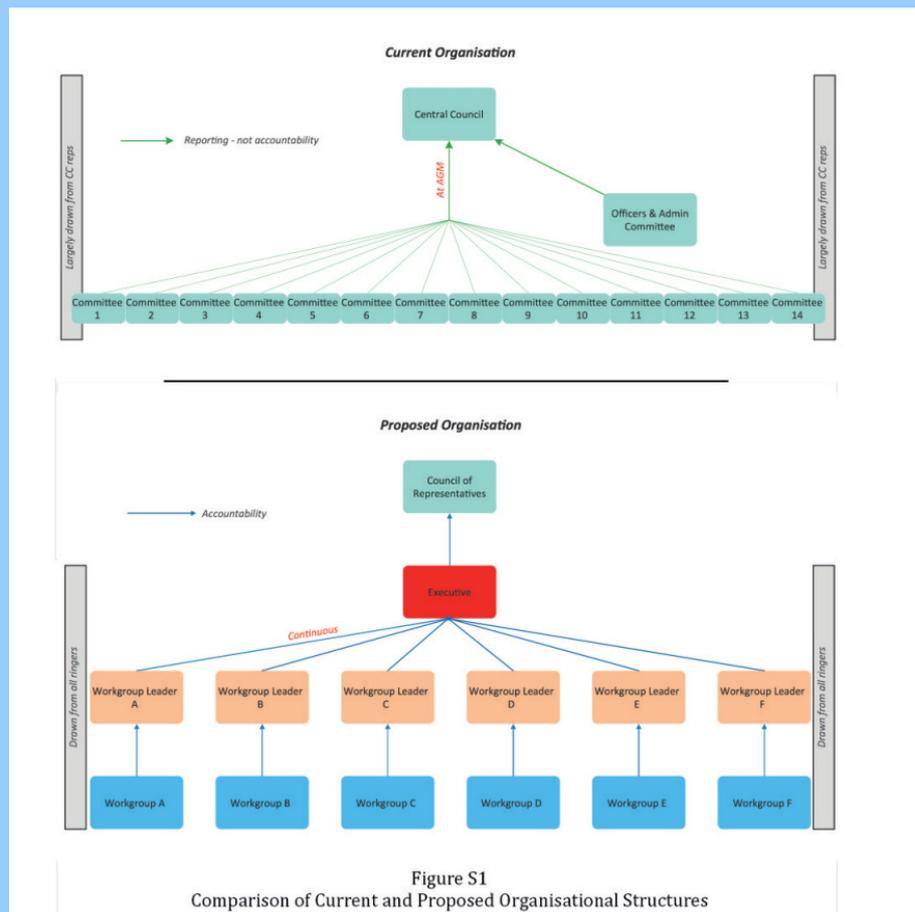
- A) *The Council will: -*
- a. *make the necessary rule changes by the end of May 2018 to replace its existing objects with the “Vision”, “Mission” and “Activity” statements consulted upon by CRAG and*
 - b. *in the interim, through the Executive group, develop and publish a five-year strategy and strategic objectives based upon these and an action plan each year to cover the work required. The Executive will publish the first plan by the end of 2017, send interim reports of progress against actions to all Council members by email quarterly from November 2017 and make a formal report to the Council meeting in May 2018.*
- B) *The Council will transfer management of its affairs, including the development and delivery of strategy, to an Executive of no more than eight people (including President, Deputy President, Secretary and Treasurer and no more than four other elected members).*
- c. *Any ringer will be eligible to stand for election as an officer or to the Executive.*
 - d. *The Executive will be formed as soon as possible (and no later than November 2017).*
 - e. *The Executive will be accountable to the CRO's members for*
 - a) *creating and delivering the strategic direction of ringing;*
 - b) *acting as advocates promoting the wellbeing and development of ringing and ringers in general;*
 - c) *promoting the development of technical and non-technical leadership skills amongst ringers;*
 - d) *working strategically, in partnership with other bodies, to ensure the delivery of those services needed by ringers.*
 - f. *Upon establishment of the Executive the role of the Administrative Committee will be limited to the organisation of the 2018 annual meeting following which it will be disbanded.*
 - g. *All posts will have a term of office of three years renewable no more than once, except for the initial appointments as specified in (vi) below.*



- u. The Executive should develop proposals by which the formal business meeting of CoRe will be made significantly shorter and more effective. These proposals should explicitly consider the feasibility of reducing the size of CoRe to 25-40% of its current size with each society retaining representation. It will consult on these proposals with affiliated societies with a view to implementation before the election of representatives to take up office in 2020.

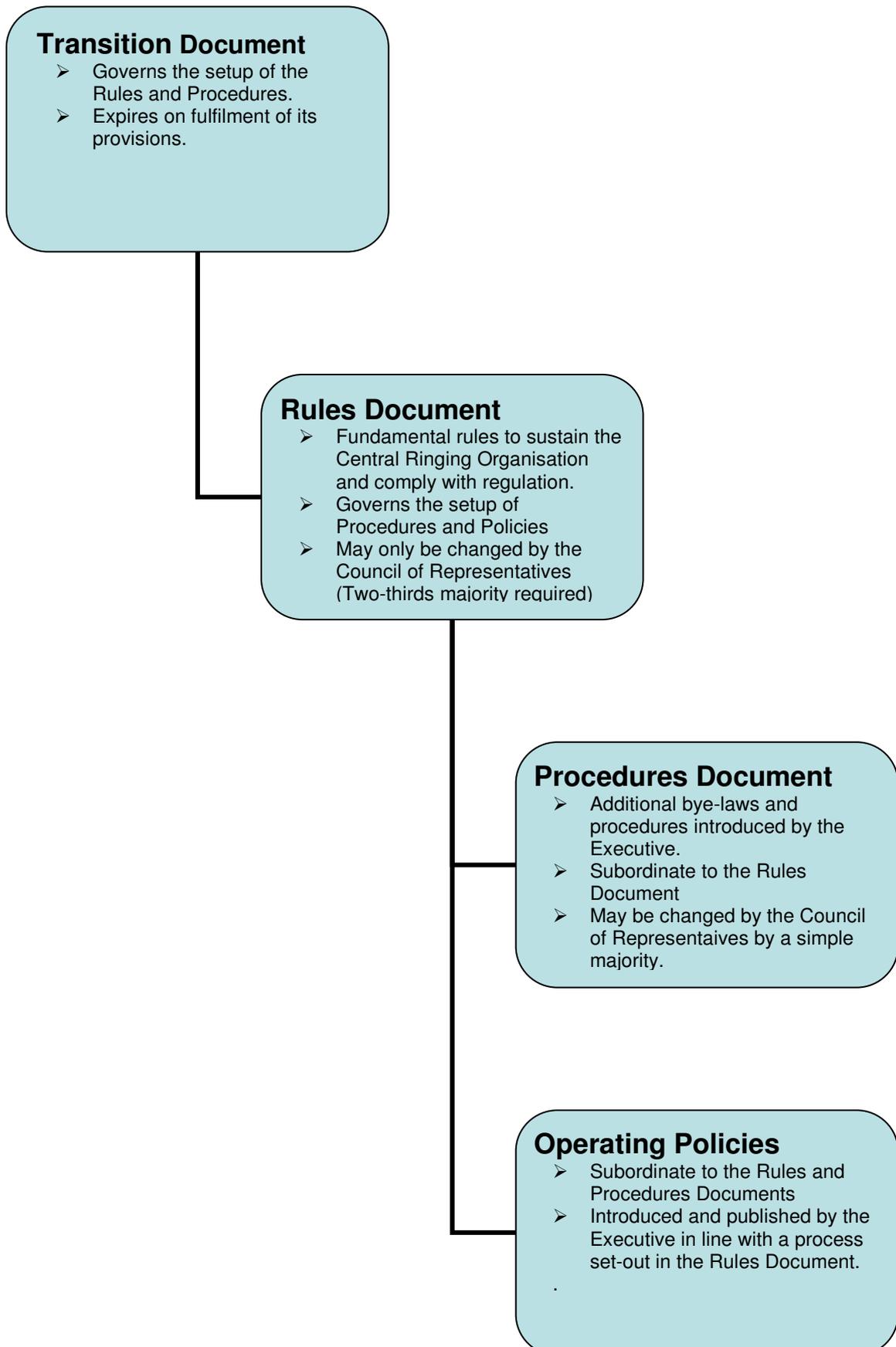
E) The Executive will: -

- v. Develop plans to allow membership of the CRO to be opened up to all ringers, begin implementing these and report on progress to CoRe in May 2018.
- w. Work with affiliated societies and others to develop direct communication links with individual ringers during 2017-18.
- x. Every three years commencing May 2019, undertake a review of the CRO's rules and governance to assess whether they continue to be effective and aligned with best practice. In the event that control of the CRO remains vested in the CoRe, each review should explicitly include an assessment and recommendation as to whether it would be appropriate to transfer some or all of the powers of the CoRe to individual direct members.





Document Structure





Architecture Decisions

Question	Architecture Decision	Rationale
<p>1. <i>Should the Central Council continue to have Charitable Status ? What are the benefits of maintaining the Central Council a charity as opposed to a simple association?</i></p>	<p>Retain charitable status.</p>	<p>This question falls outside the scope of the Rules Work as CRAG proposals A to F made clear that the Central Council should continue to fall within the jurisdiction of the Charity Commission.</p> <p>This fundamental question should not however be overlooked and the question will be raised with the current Council president.</p> <p>The legal perspective is that In the event that the Council decided not to remain as a charity, the existing body would need to be wound-up and an entirely new organisation created</p> <p>Although this is a decision for the future Executive, our view is that the benefits of charitable status outweigh the risks..</p>
<p>2. <i>What form of charitable organisation is most appropriate taking into account the Central Council's ownership of the Ringing World Limited ?</i></p>	<p>Retain existing "unincorporated charitable association" model under which the Ringing World Limited is at arms length from the Central Council.</p>	<p>The legal framework can be summarised as follows :-</p> <p><u>The Ringing World</u></p> <p>The Ringing World Ltd. is currently established as a charitable company at arms length from the Central Council. This is because the controlling interest does not rest with the Central Council's trustees. Instead, under Rule 8(i) "<i>All members of the Central Council as shall from time to time consent in writing shall be members of The Ringing World Limited.</i>" It is therefore not legally a trading subsidiary of the Central Council as under charity law a charity's assets must be owned by its trustees.</p>



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		<p><u>Trading Income</u></p> <p>Charity Commission Guidance CC35 “Trading and Tax” applied to the Central Council indicates that its income from “non Primary Purpose trading” up to approx £7,500 is tax free, whilst all income from “Primary Purpose trading” is tax free. Primary Purpose trading includes sales of educational publications and tickets to Central Council events.</p> <p>The calculation of £7,500 is based on the Central Council’s current annual income of approximately £30,000 (£36k in 2015 and £29k in 2016)</p> <p>Currently, the Central Council’s income from “non Primary Purpose trading” is substantially below £7,500.</p> <p>Where “the Central Council’s Non Primary Purpose trading” income exceeds £7,500 then Charity Commission Guidance CC35 makes clear that the setup of a trading subsidiary, in the form of a charitable company is necessary and will also reduce tax liabilities (“<i>trading subsidiaries may make donations to their parent charity as 'Gift Aid', so reducing or eliminating the profits of the subsidiary which are liable to tax</i>”).</p> <p>The guidance makes clear that trustees of a charity must always treat the interests of a trading subsidiary as secondary to those of the charity.</p> <p>On this basis, there appears to be no requirement for the Central Council to set-up a trading subsidiary at the present time, although there is nothing to prevent it from doing so in the future, should its trading activities develop significantly.</p>



<i>Question</i>	<i>Architecture Decision</i>	<i>Rationale</i>
		<p><u>Form of Organisation</u></p> <p>The Central Council is currently set-up as an unincorporated charitable association.</p> <p>In the light of the Charity Commission guidance, the Central Council has some choice as to which form of charity structure it chooses to adopt and the various forms of charitable organisation have therefore been assessed, including the new Charitable Incorporated Organisation (CIO).</p> <p>The alternatives to the existing unincorporated charitable association model all involve significant additional regulatory burdens.</p> <p>Based on the likely future activities of the Central Council, the existing unincorporated association model is still considered to represent the most cost-effective form of organisation. Other models would only become relevant in the event that the Central Council invested significantly in property or engaged in large-scale “non primary purpose” trading activity.</p> <p>Specifically, under the existing model the Central Council is able to own land, property and other assets, which are held in the name of its trustees. In the case of land and property, title deeds may be registered via the “Official Custodian”, a service provided by the Charity Commission to avoid the need to change deeds to reflect each change of trustees.</p> <p>Likewise, the Central Council’s trustees are able to engage in trading activities, either on account of the Central Council or by forming a trading subsidiary.</p>



<i>Question</i>	<i>Architecture Decision</i>	<i>Rationale</i>
<p>3. <i>Should the existing triennial cycle be retained?</i></p>	<p>Retain a triennial term for Executive and Workgroup appointments.</p> <p>Retain a triennial term to determine the number of Council members to which each affiliated society is entitled.</p> <p>Discontinue the over-arching triennial cycle.</p> <p>Discontinue the triennial system for membership of the new Council of Representatives (election of members by affiliated societies may take place annually or for each three years, in line with their allocation, as individual guilds choose).</p>	<p><u>Executive and Workgroup Appointments</u></p> <p>CRAG proposals B (v) and C (vi) state that Executive and Workgroup appointments should be for a term of 3 years, renewable once.</p> <p><u>Council of Representatives</u></p> <p>CRAG proposals A to E are silent on the term of membership to the Council of Representatives, although the current Rules state that the number of members to which each guild is entitled should be set at intervals of every 3 years.</p> <p>The process of establishing each guild allocation is labour-intensive, meaning that anything more frequent than a 3-year cycle would create additional burdens, both for guilds and for the Central Council.</p> <p>Whilst Officers and Committee Members must currently be members of the Central Council, the CRAG proposals state that appointment to the Executive or a Workgroup should no longer depend on membership of the Council of Representatives.</p> <p>In the absence of this link, there is no reason why members of the Council of Representatives should commit themselves for three years and many guilds currently ignore the current triennial structure by changing their members in mid cycle. In these circumstances, maintenance of the triennial cycle for the Council of Representatives offers no real benefit.</p>



<i>Question</i>	<i>Architecture Decision</i>	<i>Rationale</i>
<p>4. <i>Should the Executive's President be an Executive or Non-executive role?</i></p>	<p>The President should chair the Executive, but the Rules should not otherwise prescribe the scope of the role.</p> <p>This in turn gives a degree of flexibility to future Presidents and Executives as to how they structure their work.</p> <p>In the interest of good governance, the Procedures should nevertheless require that each Executive role should be the subject of a published job description.</p>	<p>CRAG Proposals A to E state that the Council should "transfer the management of its affairs" to an Executive of eight elected and up to two appointed people, who together should become the trustees of the charity (and hence legally liable for its actions).</p> <p>The CRAG proposals are silent on whether one or more of these should be regarded as non-executive roles, although the presence of non-executive members on a corporate board would normally require a board size substantially above eight. The description of the Executive's role in CRAG proposal B (iii) makes clear that an active Executive is envisaged.</p> <p>CRAG Proposal B (viii) allows the Executive to make two additional appointments to its number. These could if necessary become non-Executive roles.</p>
<p>5. <i>Can CRAG's Vision, Mission and Activity statements be copied directly to form the Council's new objects?</i></p>	<p>No. The Council's new objects will comprise a reworded version of these statements.</p>	<p>CRAG proposal A (i) requires that the objects of the Council are replaced with the "Vision, Mission and "Activity" statements consulted upon by CRAG" and contained in its report.</p> <p>Our research indicates that these statements contain some language which does not allow them to be used directly to form the Council's objects in a way which would satisfy the Charity Commission.</p> <p>We therefore propose that the Rules will use modified forms of these statements which have been made complaint, whilst the Procedures will reproduce these statements in their original format as the basis upon which the Executive should write its strategic plans.</p>



Question	Architecture Decision	Rationale
<p>6. <i>Should the new rules require that the Council changes its name?</i></p>	<p>The name of the Charity will remain unchanged.</p>	<p>Although a change of name is outside the scope of the Rules Work, CRAG Proposal I directs the Executive to conduct a wide-ranging review of the Council's branding, including its name and logo between 2017 and 2020. This includes taking into account a broad range of opinion from the public, ringers in general and other interested parties.</p>
<p>7. <i>Should the post of Steward and other roles be created explicitly in the new rules?</i></p>	<p>No. The Rules should simply give the Executive and Council the power to create additional posts, including Stewards via Procedures, as necessary to meet the Council's future needs.</p>	<p>The CRAG proposals were silent on whether specific posts outside the officers and committees should be retained and this question is therefore left for the new Executive.</p> <p>We do not propose that the Rules should specify individual posts as this would add unnecessary complexity. The Rules will however give the Executive or Council the power to create additional posts via Procedures as and when they are required.</p> <p>We will establish which posts, such as stewards are being retained and will make provision for them either the Procedures or the Transition documents.</p>
<p>8. <i>Where in the new rulebook should the new Workgroups be defined?</i></p>	<p>In the Procedures</p>	<p>Although outside the scope of the Rules Work, there is a need for new Executive to conduct further research to ensure that new Workgroups are fully populated and appropriate to the needs of the Council (there are no gaps).</p> <p>The Rules will give the Executive or Council the power to create or amend Workgroups as required to meet the needs of the organisation, through the creation of Procedures.</p> <p>There is a question about how the initial structure of Workgroups should be set-up following the May 2018 Council Meeting and how an orderly transfer should be established from the existing committees. This could be achieved :-</p>



Question	Architecture Decision	Rationale
		<ul style="list-style-type: none"> ➤ By defining the Workgroups which will come into being in May 2018 in the initial set of Procedures ➤ Through a separate motion, submitted at the May 2018 Council Meeting or a separate EGM. ➤ Through provision in the Transition document. <p>We will discuss the requirements further with the officers. There seems a strong possibility that the proposed structure of Workgroups will change between now and the May 2018 Council Meeting as the Executive's view matures. In this case provision for Workgroups through either the Transition document or a separate Council motion is the favoured solution.</p> <p>It should be noted that there is nothing to prevent Workgroups from creating their own sub-groups or committees. The direction from CRAG was simply that that the main business of the council, currently performed through committees, should instead be performed through Workgroups.</p>
<p>9. <i>Where in the new rulebook should the new class of "Fellow" be described?</i></p>	<p>In the Procedures.</p>	<p>CRAG proposal D (ii) directed that Life members should become fellows of the Council, with no voting rights. In the interests of simplicity, we propose that the Rules give the Executive and Council the power to create additional classes of non-voting member through the creation of Procedures.</p>
<p>10. <i>What changes to guild constitutions should be recommended ? When will these need to be implemented?</i></p>	<p>If they mention the Central Council at all, Guild constitutions simply state no more than that their Central Council Representatives should be elected in accordance with the Central Council's rules, so no change will be required.</p>	<p>As part of a future membership review (reducing the size of the Council) there will need to be extensive consultation with guilds and associations. However, this is out of scope for the May 2018 rule changes.</p> <p>The changes due to be introduced in May 2018 relate to the Council's decision-making processes, including the setup of the Executive and Workgroup structures, which are unlikely to be covered within the rules of individual guilds. Further investigation of a sample of guild constitutions will be undertaken and this question will also be raised during consultation.</p>



<i>Question</i>	<i>Architecture Decision</i>	<i>Rationale</i>
<p>11. <i>Should the new Rulebook reduce the Council's size?</i></p>	<p>The Rules will reflect the Council's current size, but will also provide a simple mechanism to enable these and any other rule changes to be incorporated in future.</p>	<p>CRAG has however tasked the new Executive to produce proposals to review the size of the Council, with a view to presenting these proposals for introduction in 2020. The Rules will provide the mechanism for change, but it will be for the Executive to decide what those changes it wishes to propose.</p>
<p>12. <i>Will the Administrative Committee need to be retained to keep a check on the Executive?</i></p>	<p>The Administrative Committee will be retired, along with other committees, from the point where the new rules are approved. The new Executive will take over the scrutiny function currently performed by the Administrative Committee and will ultimately be accountable to the Council for its actions.</p>	<p>Under CRAG proposal B (iv) the Administrative Committee is due to be retired and from the May 2018 Council Meeting the trustees who form the Executive will run the charity on behalf of its members (the guilds who send representatives).</p> <p>The Rules will state the circumstances in which the Executive must call a Council meeting.</p> <p>Charity Commission guidance is that the role of trustees is not to run everything on a day-to-day basis (in the case of the Central Council this is the role of the Workgroups), but to provide scrutiny and leadership on behalf of the charity's members to ensure that the charity continues to fulfil its objects. In effect their scrutiny role is similar to that currently performed by the Administrative Committee.</p>
<p>13. <i>Who should chair the Council of Representatives ?.</i></p>	<p>Retain the existing structure where Council meetings are chaired by the President.</p>	<p>CRAG Proposals A to E are silent on who should chair the Council of Representatives.</p> <p>For a large charity the election of a separate chairman for the Council of Representatives would enforce a stronger separation of powers.</p> <p>However, the Rules need to take into account the Central Council's small size.</p>



<i>Question</i>	<i>Architecture Decision</i>	<i>Rationale</i>
		<p>We looked in some depth at full separation of powers, including the appointment of a separate chair for the Council of Representatives :-</p> <ul style="list-style-type: none">➤ For companies, the general practice is for the company chairman (whether executive or non-executive) to chair shareholder meetings➤ For medium-sized charities, the custom is for the chairman of trustees to preside over general meetings. Charities using this approach include the RCO, Ramblers Association and CAMRA and it is also reflected in the Charity Commission's Model Constitution for Medium-sized charities.➤ In the United States, despite a strong separation of powers, the Vice President, although a member of the Executive, presides over meetings of the Senate and has a casting vote. <p>While the general practice appears to be for the chairman of trustees to preside over a charity's Annual Meeting, their role can be circumscribed by clear rules which include :-</p> <ul style="list-style-type: none">➤ The chairman is non-voting➤ The chairman presides in accordance with rules which ensure that individual representatives are able to raise issues and pass motions.➤ The Central Council president is elected and is therefore only in post as a gift of the charity's members. <p>We noted that the appointment of a separate president for the Council of Representatives could present some new challenges as it would be less clear who actually represented the charity.</p> <p>Provided the influence of the chair is clearly circumscribed by the Rules we concluded that the current practice where meetings of the Council are chaired by the President offers greater simplicity and is sufficient to meet Charity Commission requirements. The Rules will nevertheless give clear direction as to how this responsibility is to be exercised.</p>



Question	Architecture Decision	Rationale
<p>14. How will the changes be implemented? Is Charity Commission approval required?</p>	<p>The next Council meeting in May 2018 will be presented with a motion enabling the existing rules to be replaced with the new rulebook and (if necessary) approving some transitional arrangements set out in a separate Transition document. On agreement of the motion, the new trustees will send a letter to the Charity Commission informing them of the changes.</p>	<p>The technical process is guided by the Council's existing rules and by the Charity Commission. The Charity Commission simply require the Council's trustees to inform them of any rule changes on which the Council has decided.</p>
<p>15. How formal should Executive meetings be?</p>	<p>The Rules should require decisions on a specific range of subjects (including spending money, entering into contracts and hiring staff) to be :-</p> <ul style="list-style-type: none"> ➤ Minuted ➤ Agreed by a Majority of Trustees (not merely a majority present) ➤ Records kept consistent with Commission Guidance document CC48 Charities and Meetings. 	<p>A balance needs to be struck between enabling the Executive to get on with the job (by avoiding onerous minute-taking) and enforcing good governance.</p> <p>It is likely that the large part of Executive meetings will relate to operational matters where the taking of minutes would represent a significant overhead.</p> <p>Therefore, a process similar to a company board is proposed, giving the Executive the freedom to conduct most of its business informally, whilst requiring it to convene formal meetings to approve those decisions which affect the assets of the charity or involve new contractual commitments.</p> <p>The requirement for significant decisions to be approved by a majority of Executive members provides security that important business can never be 'forced' through by a small minority of Executive members who happen to be present at a meeting.</p>
<p>16. Should the rules require the Executive to maintain appropriate insurance over the Council's assets (eg. the Rolls</p>	<p>Yes. The Rules will require :-</p> <ul style="list-style-type: none"> ➤ Insurance cover for property should be required where 	<p>This is consistent with Charity Commission guidance as set out in its Model Constitution</p>



<i>Question</i>	<i>Architecture Decision</i>	<i>Rationale</i>
<i>of Honour)?</i>	<p>property is owned.</p> <ul style="list-style-type: none">➤ Cover for other assets should be maintained to their estimated value.➤ Employment Insurance cover should be mandatory where the charity has employees➤ Public liability should be compulsory	
<i>17. Should ringers under the age of 18 be Central Council Representatives or serve on the Executive or as a Workgroup Leader?</i>	<p>They may be Central Council Representatives, but may not vote.</p>	<p>Charity Commission guidance is that people under the age of 18 may not become trustees or take on the duties and rights of full members.</p>
<i>18. How should notices be delivered?</i>	<p>For notices published by the Council, publication in the Ringing World should be sufficient.</p> <p>For notices to and from the Council's Executive or officers, email to the recipient's registered email address should be sufficient provided the sender can provide reasonable evidence (eg. through delivery of a blind copy of the same email to one of its own email accounts) that the email was sent.</p>	<p>These terms are broadly consistent with the Charity Commission's model constitution, with the addition of Ringing World publication.</p>



<i>Question</i>	<i>Architecture Decision</i>	<i>Rationale</i>
	<p>The Rules should give the Executive and Council powers to add additional methods (eg Royal Mail post) through the creation of additional Procedures.</p> <p>Emails should be deemed to have been delivered 48 hours after their sent date and time. Publication in the Ringing World should be deemed to have been served 24 hours after publication date.</p> <p>First Class Royal Mail post should be deemed to have been received 2 days after its date of posting.</p>	
<p>19. <i>Should the additional four Executive members be elected together (four candidates with the highest votes elected) or elected individually?</i></p>	<p>Four additional Executive members elected together. Job descriptions for Executive members agreed by the Executive following their election, based on the needs of the organisation and the strength of each Executive member.</p>	<p>The CRAG proposals provide for four Executive members to be elected by the Central Council. Individual elections create a more complex process in which mediocre candidates could be elected in uncontested roles, whilst able candidates were defeated in contested elections.</p> <p>There would also be a natural temptation for candidates to refrain from standing for fear of challenging incumbent post holders.</p> <p>Overall the health of the Central Council is best promoted by electing these four Executive members together.</p>



<i>Question</i>	<i>Architecture Decision</i>	<i>Rationale</i>
<p>20. How should direct membership be catered for?</p>	<p>The Rules will permit the Executive to create new classes of non-voting members by introducing new Procedures</p> <p>The initial set of Procedures will provide for the establishment of Direct Members who meet entry criteria.</p> <p>The entry criteria will be defined by the Executive as a policy, which may be amended from time to time.</p> <p>To transfer control of the Central Council from the Council of Representatives in whole or part to another class of member would require a change to the Rules.</p>	<p>CRAG Proposals E(i) and E(iii) deal with direct membership.</p> <p>Proposal E(i) states that the Executive should “develop plans to allow membership of the CRO to be opened up to all ringers” while Proposal E(iii) provides that the Executive should “every three years commencing May 2019, undertake a review of the CRO’s rules and governance to assess whether they continue to be effective and aligned with best practice. In the event that control of the CRO remains vested in the Council of Representatives, each review should explicitly include an assessment and recommendation as to whether it would be appropriate to transfer some or all of the powers of the Council of Representatives to individual direct members....”.</p> <p>The scope is therefore :-</p> <ul style="list-style-type: none">➤ To allow the Executive the flexibility to create one or more classes of direct member as it requires, to meet its future operating needs.➤ To permit the Council of Representatives to agree to a future change of control involving the transfer of some or all powers of guild representatives to direct members, through a change to the Rules.



Review of Charity Commission Guidance

A review of Charity Commission guidance has been performed to create a 'gap analysis', showing where additional provisions need to be inserted into the existing rules to ensure they are consistent with current best practice. The Charity Commission provides model wording for constitutions of medium-sized charities through its Model Constitution for Charitable Associations.

The table below shows the areas where additional wording is required, referring to the relevant section of the Charity Commission's Model Constitution :-

Area	Model Constitution Paragraph
Statement indicating that the charity is managed in accordance with this constitution	1
New definitions section	34
Objects section requires amendment	3
Preferential benefit rules for trustees	4 / 5
Conflict of Interest rules for trustees	22
Dissolution	6
Amendment of the rules – additional wording required	7
General Meetings – dates on which meetings can be called	10
General Meetings – statement that no business can be conducted outside a quorum	12
General Meetings – process to elect the chair in the absence of the President	13
General Meetings – rules on who can call meetings	10
General Meetings – Adjournment rules	14



Area	Model Constitution Paragraph
Appointment of representatives	16
Powers of trustees	19
Disqualification of trustees	19
Proceedings of Trustees	21
Saving provisions – to avoid decisions being set aside on technical grounds	23 / 25
Delegation to committees of trustees	24
Minutes	26
Duties of Trustees including Annual Report and Accounts	27
Repair and Insurance	30
Notices	31
Disputes	33