

PROPOSED CHANGES TO THE CRC CONSTITUTION

This note sets out the reasons for the proposed changes to the Constitution.

At the moment the constitution of CRC gives it the form of an *unincorporated association*. Its running is in the hands of an Executive Committee, some of whom are trustees of the charity. As things stand, the trustees are personally liable for any debts of CRC, and would also be liable if CRC were to be sued for damages if there were not funds (or insurance) to cover them.

Many charities have faced this problem, and it used to be dealt with by the charity changing its legal status to that of a *company limited by guarantee*. That is, the charity gained a corporate status, but did not have to have shares like a normal trading company. *Corporate status* means that the charity is treated as though it is a single person in law. It means that the charity can enter into a contract, rather than the trustees as a group. The trustees will act like a board of directors in a company, with oversight the day to day management of the charity which is entrusted to executive officers. Since 2013 a new form of corporate identity has been available to charities – the Charitable Incorporated Organisation, which does not require the formalities of company law that a company limited by guarantee used to have, but gives the same protection to trustees and members. Many charities are moving to this structure.

CRC is contemplating new developments and the creation of teaching materials and other resources for Readers. Some of these changes will mean CRC being involved in bigger contracts for employment and services, and may in due course involve trading and publishing. It therefore needs an overhaul of the present constitution and it is proposed that we change the structure of CRC from an *unincorporated association* to a Charitable Incorporated Organisation – a CIO.

The Charity Commission publish a standard constitution for a CIO, much of which is required and non-negotiable. We have therefore used this as our model. Unfortunately this does mean that the constitution becomes a much longer document because of all the technical requirements of the CIO. The key clauses that you need to look at are 3. Objects, 4. Powers, 9. Charity Trustees (*four existing trustees have been named as the bare minimum to get the CIO registered; the rest will be added once the CIO is approved*), 13. Membership, 17 Associate (non-voting) membership, 29 Definitions.

The constitution should be read in conjunction with the Regulations, which set out how the new CIO will operate in practice. You will see that we have set out that there will still be an AGM and a process of consultation with members, but the membership will be wider than at present as explained further on.

In practical terms we have to create a new CIO (which will have a new charity number), and then wind up and transfer all the assets of the old CRC into the new charity.

In creating the new draft constitution for the CIO we had to resolve a number of issues around membership. These need some explanation.

Typically a charity will have one of two forms:

- A fund set up for charitable purposes by a donor, which will be distributed by a group of trustees to the beneficiaries that the donor will have defined in the original gift
- An association of people who have joined together for mutual help and support, or interest, such as a sports club, or a group of people who have all suffered an illness. In order to be charitable, this has to have an element of public benefit.

The CRC is, in its present configuration neither one thing nor the other. It does hold funds that it makes grants from, but that is not its primary purpose.

However, though it might appear to be an organisation with Reader members, it isn't. The rather weird way in which the present constitution operates is to say that the members (apart from the Patron, the Archbishops and the chairing Bishop) are to be:

Three representatives from each diocese at least two of whom shall be Readers (one of whom shall be the Warden or deputy and one of whom shall be the Secretary or deputy), together with up to 3 representatives from the Armed Forces of the Crown.

What this means is that these members only come together for the purposes of the AGM (or other Extraordinary Meeting). They are not fixed memberships; that is they will vary from meeting to meeting, depending on whom a diocese sends, or who turns up. As one of each of the three delegates must be the Warden or deputy, in many cases this means that this is not a Reader, but a cleric. Not all dioceses have Secretaries, so this role is ambiguous. Some dioceses get their Readers to elect the representatives, many do not. 'Ordinary' Readers have no say and no status. For most Readers therefore, the CRC may seem to be irrelevant.

There is a model CIO for an membership association, but this is not appropriate for CRC as it stands, because the membership is so uncertain. We felt it was not appropriate to continue to have the existing definition of members because of the problems outlined above. In theory it would be possible to say that all Readers were members, but it would be almost impossible to be clear about who they were. Although some dioceses are certain about who their Readers are, some do not have comprehensive lists. We have therefore not chosen that model.

The model that we have chosen, however, allows CRC to create Associate Members. This means that we can, for the first time in CRC's existence, give all active Readers a relationship with CRC. We hope that this will make CRC feel more relevant to Readers. The AGM will then be open to all Associate Members. The Regulations make it clear that the Trustees will, so far as they are able (given financial and legal constraints) consult the members and take the views of the membership into consideration in matters of policy.