

THE STRAGGLERS RC

Special General Meeting Minutes

Wednesday 27th November 2024 7.30pm start.

In-person at Bushy Park Sports Club and via Zoom Video

Welcome and overview of the evening

Kevin Price welcomed everyone to a blended Special General Meeting with members joining online via Zoom and in person at BPSC, in which a vote of the members present would be made to decide whether the club should now proceed with its application to become a Charitable Incorporated Organisation. Thanks to Phil Hall who has lead this piece of work and to everyone who has attended meetings, completed the poll (99 responses) and contributed to the discussion.

As an indication of the mood of the members, the poll results were 73% In Favour, 26% undecided/don't care, 1% against.

For the vote, there are three options; to vote In Favour, to vote Against or to Abstain, members however should note that an abstention is effectively a vote Against. Two-thirds of those present need to vote In Favour for the motion to pass.

Summary of the rationale for becoming a CIO

Phil Hall summarised the rationale, actions to date and the motion. The Committee started to investigate options in summer 2023, and by the AGM in 2023 the Committee had come to the conclusion that to become a CIO was the best option for the club. The AGM agreed to support the Committee to continue to progress, looking at this model. We looked at a number of other clubs who had become CIOs and have discovered at least 40 running or athletic clubs which have made the change. By the AGM of 2024 a proposal was put to the meeting, asking the members to agree to progress to a SGM to enable a vote. Two in person opportunities were provided to enable members to ask questions and a FAQ document was updated regularly to enable members questions to be answered.

Legal advice has been sought on three occasions to make sure the plans were sensible and within the law. The unincorporated organisation for The Stragglers has served us well, but the potential benefits of becoming a CIO include:

Financial benefits – won't need to complete tax returns and pay corporation tax; more money to spend on members;

Also opportunity to receive gift aid on donations;

But other benefits too - Limited liability for all those involved in organising events – currently there is unlimited personal liability;

More modern constitution and structure, charitable status is widely understood by the public which provides the ability to attract new funding from grant-making bodies, businesses and individuals;

But there are some possible drawbacks and it's important to be transparent about these:

Once a club has become a charity, it cannot simply stop being a charity and its assets must only be used for charitable purposes. On winding up, it would have to transfer its assets to another charity;

Participants must be amateur;

There are certain compliance and reporting requirements for a charity.

The Committee has looked closely at these and conclude that they are highly unlikely to be real drawbacks for us – the reporting/compliance requirements are minor and consistent with what we do already; participants being amateur is entirely consistent with our current ethos; and we are looking forward to the future – our current constitution requires the club in the event of winding up to transfer its assets to an organisation with similar Objects or a registered charity

Phil Hall then read out the motion to be put to the meeting:

The Special General Meeting is asked to support the submission of an application to the Charity Commission to establish The Stragglers Running Club Charitable Incorporated Organisation; and, if approved, to adopt the draft constitution (v0.11 on the website) and authorise the initial trustees and management committee to manage the transition of the club to its new status.

Also to note: to be approved, the resolution must be supported by a majority of at least two-thirds of the Members present at this Special General Meeting.

Phil then thanked the members for all the questions that had been submitted. The one question which has been most common is a simple one; will this change affect our experience of being a member of the club? The Committee believes absolutely not. We will still offer our week-round programme of training sessions and will remain active participants in races and events as we currently do. When you attend any of these, we expect it to feel just the same as it does now. The club will continue to be friendly, welcoming and open to all abilities. We believe becoming a CIO will provide us with a better structure to support and continue to grow the range of activities that our members enjoy.

Comments and statements from members present

Concern was expressed that there would be a significant loss of the members' voice and control with this proposal. Trustees will be elected for a three year term as opposed to the current annual elections of the Committee, who are directly answerable to us as a membership. In this structure, the Trustees will elect the management committee and members will not be able to put motions to the committee. The Trustees will also set the strategy for the club which will have to conform to the wider charitable objects of the club. A question for those leading this proposal is what will the future vision and strategy be for the club and are they able to share that with us now?

A question was asked whether there is anything which the club does now that it would not be able to do in the future as a result of this change? For instance, there was a reference in the notes to us not being able to run a bar, which suggests there may be. It was clarified that the

reference to running a bar was an example of a commercial activity which a charity would not be allowed to perform as opposed to say the staging of a running race which, whilst income generating, would be a primary purpose activity so allowable as a charitable activity. However, the conclusion of the Committee is that there isn't anything we will not be able to do which we currently do as a club.

A Committee member acknowledged that he had considered a CASC as a favourable option initially and was initially unconvinced by the CIO suggestion, however now recognised that the CASC idea would not be helpful financially. Concerns have been raised that the 'power' rests with a small group, however the ability of the membership to vote for Trustees is a safeguard.

Another Committee member responded to some of the points raised. Firstly a reminder that Trustees will be appointed by the members so there is a built-in safeguard for the members in deciding who they wish to elect. Also, there are some things we will be able to do as a charity for instance employ coaches, should that be deemed beneficial. A good example of something we could do more of as a charity is the example of how we supported our Coach to 5k cohort. Whilst there may be concerns about perceived power within a small group, it should be remembered that the management committee roles would still be needed, with the potential to include more members in activities and decision making as those volunteers would not be required to take on full club management responsibility as the current committee members do.

It was questioned whether we could continue having a member carrying out the financial audits ie: would they be independent, questioned whether the amount of corporation tax likely to be saved was significant, questioned whether we should pay coaches and whether Trustees could be non-members. The view was expressed that everyone consider carefully before voting for this motion.

Phil Hall clarified that the proposed constitution has two main objects; the first is absolutely consistent with our current goals to support sporting activities as a running club. The second object is wider – to assist in the advancement of the health and wellbeing of the public at large – which is included at the suggestion of our legal advisors in recognition of our wider objectives to make charitable donations, these would not be possible without this second objective and will allow us, for instance, to continue supporting the wide range of charities we support through the River Relay.

To clarify, we will not be paying runners to race for us in future and, whilst other clubs may have chosen to pay for accountancy services this is not an obligation and the Charity Commission requirements for accountancy are actually less stringent than our current requirements. As for the Auditor, the key point here is that the Auditor needs to be independent of the Committee, so our current arrangement with our Honorary Auditor can continue. Finally, Phil reinforced the point that Trustees must always be elected by the members which is central to the CIO governance. Whilst Trustees may be sought for possible election from outside the club, and whilst the constitution is not explicit on this point, all Trustees would have to be or become members of the charity.

Another member stated that she feels conflicted, after reading a lot around the issue. The main point is that we need to ensure we maintain our core purpose of being a running club for the benefit of the members, of all ages and abilities and not move towards more charitable work.

Kevin reinforced that this is not about changing the way the club works for its members or changing our outlook and priorities. He added that he was aware of over forty running and athletic clubs, many of whom are familiar to us, who had made the choice to become a charity, for some of the reasons previously outlined by Phil Hall at the beginning of the meeting.

Another member expressed concern over clarity of personal liability and if becoming a charity meant that it removed personal liability exposure to Committee members, then that is a strong reason for supporting the change.

Whilst the club's affiliation to EA does provide insurance for Committee members, the advice provided by EA and their nominated legal advisors, is that one of the benefits of incorporation (either as a company or a CIO) is protection for those involved in organising events or entering in contracts, so is regarded as a significant benefit to support the transition to CIO status.

One Committee commented that she didn't realise she had taken on personal liability when joining the Committee and might think twice about becoming a committee member going forward as an un-constituted club. Also, a charity framework will help keep us positive and strong in ensuring good management controls and good governance so feels this is a strong reason for the change to charity status.

The question was raised again about whether someone can become a Trustee without being a member of the club. In response, it was reiterated that in the event a new Trustee was sought from outside the current membership, for example if the skills of a club treasurer were required, by definition of the constitution that person would firstly have to have an interest in the objects of the club and charity and secondly, would be required to become a member on being put forward for election as a Trustee.

Another member said she feels the current constitution is understandable and easily accessible for members. The new constitution is much longer and less clear. Has everyone read it? If not should they be voting for something if they are not clear?

In response it was confirmed that a lot of work had gone into ensuring the key components of current constitution are transferred across into a new document which has followed the standard CIO template, which is longer than our current club constitution. One reason the proposed new constitution is longer is that the charity commission has modernised the template which enable aspects such as online meetings and votes and postal votes which are not allowable under the current constitution.

The final contributor to the meeting explained he is currently a Trustee of a National sporting association so has understanding of how this type of organisation is run, requiring a lot of time and effort from those running them. Committee liability is an issue and would put him off joining the Committee. We should recognise that change is difficult and sometimes members can feel it is being forced on us. The Committee has made many positive changes in recent years, a selfless team of individuals who have worked very hard, they are the same people who would move across to the CIO, and there is no reason to think they will change.

Resolution and vote

Moving to the vote. Phil Hall re-read the resolution put to the meeting. Care will be taken to ensure all those on zoom can be counted, including where there were two people together in the room on one zoom connection.

Vote: 59 in favour, 4 against 1 abstention. The resolution was passed with a majority of 92% voting In Favour.

Next steps

An application will now be made to the Charity Commission for The Stragglers to register as a CIO. We are unsure how long this process will take but we hope that we will be able to invite members to renew their membership with the club as a CIO when renewals are made next 1 April. We aim to have an AGM in summer 2025 to elect the first set of Trustees. In the meantime. The initial transitional Trustees and the management committee, which remains in place, will work to support the process.

Attendees(64):

In person: Andrew Howarth, Sue Howarth, Matt Parker, Kevin Price, Phil Davies, David Griffiths, Patricia Ronksley, Robert Hodge, Peter Wedderburn, Simon Brazil, David Brewin, Lawrence Duffy, Dean Tyler, Fraser Wigley, Carol Dickinson, Wendy Stokes, Paul Keeler, Steve Baller, Stuart Thompson, David Morley, Duncan Scoble, Chris Meara, Tim Wood, Roy Reeder, Mike Taylor, Rob Allen, Helen Davies, Malcolm Davies, Sue Waters, Alexandra Mason, Phil Hammett

Online: Sue Hall, Phil Hall, Chrissie Glew, Anne Woods, Julie Holmes, Helene Hill, Pamela McHutchon, Carolyn Cooper Burrows, Don Anderson, June Hall, Heather Hodge, Sue Cockle, Kevin Jones, Anne Williams, Alexis Prince, Wendy White, Orla White, Bradley Harrad, Andrew Simpson, Amy Rolson, Steve Smith, Iain Bell, Steve Clelland, Jim Sell, Merran Sell, Steve Giddings, Ingrid Wagner, Dave Venter, Izabel Grindal, Trish Gillespie, Jonathan Dickinson, Evan Bond, Tim Jenns.