



Leominster Museum CIO: Registered Incorporated Charity Number 1162600

Proposed amendments to the Constitution: Resolution to be proposed at the Annual General Meeting of the CIO on 13th June 2018

The charity trustees intend to put forward amendments to the CIO's Constitution on two subjects:

- To clarify the consequence of non-payment of membership subscriptions, and
- To simplify the provisions for appointment of charity trustees by removing the rights for Leominster Town Council and Herefordshire Council to appoint two, and one, members of the board separately from the voting arrangements at General Meetings.

Amendments to the Constitution require at least a 75% majority of those members voting at a General Meeting of the CIO. Amendments passed in that way become effective when then registered with the Charity Commission.

This note explains the background to the proposed amendments, and sets out the text of the formal Resolution that will be proposed at the AGM. A copy of the Constitution, marked up to show the proposed amendments, will be available at the AGM, and can be downloaded before then from the Museum website using this link:

<https://bit.ly/2L7SkbL>

Background

Non-payment of membership subscriptions: amendments to clauses 9.4.1 and 9.5

Friends of the Museum, and Ordinary Voting Members, are all members of the CIO with voting rights (one member one vote) at General Meetings. Under the terms of the Constitution, the charity trustees set annual membership subscriptions, which are payable for each financial year of the CIO (December-November).

Clause 9.4 of the Constitution lays down when membership (and therefore voting rights) ceases, the main events in practice being death or written resignation. Although it also provides for membership to come to an end if a sum of money owed by the member to the CIO is not paid in full within 3 months of its falling due, it is not clear that unpaid membership subscriptions constitute "money owed" to the CIO, such as to justify the removal of the relevant members' names from the statutory register of members. Currently, therefore, unless a member resigns in writing or dies, the register will continue to show them as a voting member even when the relevant subscription has not been paid.

To clarify the position, it is proposed that membership should cease if a subscription has not been paid in full within 5 months after the start of the financial year in question. With the financial year starting on 1st December, this allows a period of grace up to 30th April (which will generally be before the date of the AGM). By way of exception, for new applications for membership a period of 2 months will be allowed for payment of the first subscription – this allows for unforeseen delays where the first subscription is to be paid under a bank standing order. In parallel with this, a provision is proposed which confirms the existing informal rule that the due date for subscriptions is one month after the start of the financial year.

Removal of council nomination rights: amendments to clauses 12.3, 13, 15 and 31

The trust deed by which the original Museum charity was formed in 1970, as modified in 2008 to reflect intervening local government changes, included provision for two members of the Management Committee to be appointed by Leominster Town Council, and one by the County of Herefordshire District Council. In the interests of continuity, these nomination rights were mirrored in the new Constitution when the charity was incorporated in 2015-16.

One of the conclusions of the governance review undertaken by the charity trustees during 2017 was that we need to broaden the skill-set represented on the board, by recruiting some additional charity trustees; and that this process would be facilitated if three places on the board were not reserved for charity trustees appointed by our local councils.

Leominster Town Council, who are very supportive of the Museum, have indicated that they do not see a power to appoint trustees of the charity as necessary to that support, and that they recognise the advantages of dispensing with their nomination right. Herefordshire Council informed us, before we approached them on the subject, that they would not wish to make any such appointments in future, and have not responded further since we told them of the proposal to remove their nomination right from the Constitution.

Existing council nominees to the board are:

- Pauline Davies, appointed by Leominster Town Council effective 3rd March 2016, appointment expires 3rd March 2019, and
- Felicity Norman, appointed by Herefordshire Council effective 7th March 2016, appointment expires 7th March 2019.

Leominster Town Council appointed Peter Ellis at the same time as Pauline Davies, but he resigned on 13th October 2017 and the vacancy has not since been filled.

The resolution will not bring those charity trustees' appointments to an early end, and it will ensure that they are eligible for reappointment when the appointments expire.

As a result of the amendments, charity trustees will in future be appointed (subject to an overall maximum of 15) only by the members in General Meeting, or by co-option by the charity trustees. Co-opted trustees hold office only until the next AGM, and there is a system of retirement by rotation of a third of the other charity trustees each year; in either case those retiring are eligible for re-election at the AGM.

The text of the formal Resolution to be proposed at the AGM

RESOLVED that:

- (a) in accordance with clause 29 of the CIO's Constitution as adopted on 9th June 2015, the Constitution shall be amended as set out in the table below;
- (b) subject to paragraphs (c) and (d), the amendments shall take effect (as specified in clause 29.4 of the Constitution) from the date on which the amendments are recorded in the Register of Charities;
- (c) as regards any member of the CIO who, at the date this Resolution is passed, has not paid in full the relevant membership fee for the CIO's current financial year, the new sub-clause 9.4.1.4 shall have effect in relation to that member as though "within one month after the date on which the resolution takes effect by which this sub-clause is inserted" were substituted for "within five months after the beginning of the CIO's financial year to which the fee relates, or if later within two months after applying for membership"
- (d) the amendments in clauses 12, 13 and 15 of the Constitution shall not affect the continuance in office of those of the present charity trustees who were appointed to be such by Leominster Town Council or by Herefordshire Council, who
 - i. shall continue to hold office for the remainder of the term of their respective appointments laid down in clause 13.2.3, or until that term is brought to an end under clause 15, of the Constitution as it had effect before the making of these amendments; and
 - ii. on the expiry of those respective appointments shall be eligible for reappointment under clause 13.1 of the Constitution.

Clause	Amendments
9.4.1	<ul style="list-style-type: none">• Delete "or" at the end of sub-clause 9.4.1.3;• Insert an additional sub-clause 9.4.1.4 as follows between the present sub-clauses 9.4.1.3 and 9.4.1.4: "where payment of annual membership fees has been required pursuant to clause 9.5.1, the member has not paid the relevant membership fee in full within five months after the beginning of the CIO's financial year to which the fee relates, or if later within two months after applying for membership; or"• Renumber the present sub-clause 9.4.1.4 as 9.4.1.5.
9.5	<ul style="list-style-type: none">• Number the present text of clause 9.5 as 9.5.1;• After it add the following new clause 9.5.2: "Where annual membership fees have been decided on, such fees shall fall due for

Clause	Amendments
	payment, unless otherwise determined by the CIO, one month after the start of the CIO's financial year to which they relate.”.
12.3	<ul style="list-style-type: none"> • Delete the present clause 12.3.1, numbering the present clauses 12.3.2 and 12.3.3 as 12.3.1 and 12.3.2; • Amend clause 12.3.2 (as so renumbered, i.e. the present clause 12.3.3) to read “The maximum number of charity trustees that can be appointed is 15. No trustee appointment may be made if as a result the number of charity trustees would exceed this maximum.”.
13	<ul style="list-style-type: none"> • Delete the heading to the present clause 13.1; • Rerumber the present clauses 13.1.1 to 13.1.5 as 13.1 to 13.5; • Amend the internal cross-references to match (so “13.4” in place of “13.1.4” in clause 13.3 as so renumbered, and “13.1 and 13.2” in place of “13.1.1 and 13.1.2” in clause 13.5 as so renumbered); • Delete every occurrence of the word “elected” in those clauses (three occurrences in clause 13.1, one in clause 13.2 and one in clause 13.4, all as renumbered); • Delete the present clause 13.2 in its entirety.
15	<ul style="list-style-type: none"> • Delete the present clause 15.2.
31	<ul style="list-style-type: none"> • Delete the present clause 31.7; • Rerumber the present clauses 31.8 and 31.9 as 31.7 and 31.8 accordingly.