

Minutes of an EGM held on the 16<sup>th</sup> November 2-19 10:00 AM at the MCG Cottage

**1. Welcome**

Attendees welcomed to the meeting by Steve Porter, Bill Chadwick & Brian Snell.

**2. Record of those present, accept virtual presence (Skype)**

Brian Snell, Karen Fendley, Jonathon Roberts, James Hazel, Daniel Matthews, Peat Bennett, Martin Cross, Tanya Sparey, Doug Harris, Mike Moxon, Ed Waters, Richard Carey, Keri Smallwood, Tim Francis, Steve Porter, Ben Cooper, Bill Chadwick, Hayley Clark, Miranda Litchfield, Tom Harrison (Skype), Bryan Pittman, Joan Goddard, Neil Maine (arrived later and left earlier).

**3. Apologies for absence**

K Mathews, R Woollacott, B Lucas, J Lucas, M Haselden, D Lambert, D Lossi, N Pearce, K Night and A Carey.

**4. Introduction to the new constitution (Steve Porter, Bill Chadwick, Brian Snell)**

The existing constitution is only two pages. Following the model set out by the government, the principal change is a greater definition of the roles of the trustees and what the organisation can do to reimburse members who contribute towards improving the assets of the MCG. If we convert to a CIO, (the object is to transfer the cottage to the CIO), it means that even if names of the Trustees etc were to change, ownership of the MCG will still stay within.

In the new constitution, a new post of Finance Administrator has been created. We have a significant sum in cash and it will be a great role to manage this and take a hand on these matters. KF requested clarity in regards to the difference between Finance Administrator and Treasurer. It was explained that the Treasurer will continue to run the day to day role of collecting subs etc. However, Finance Administrator will manage our assets. The current Investment Officer will be recognized for the administrative job and will become Investment Administrator.

BS requested clarity on the reasons for the proposed change to a CIO. Why are we changing? Firstly, it will mean that we are not required to change anything on the Land Registry when you have a change of Trustee (as it stands, we are obliged to notify Land Registry), saving time, effort and money which is involved in current process. The cottage would become registered under the charity, government recorded and therefore a loss of paperwork would not be detrimental as our records will also be government recorded.

The current constitution is very out of date in the sense that things have moved on since it was originally drawn out. The obligation for Trustees is a legal one

and, at present Trustees have to have an interest in the MCG and ensure the value of the assets is maintained. If there is no interest in maintaining the property and there was to be a fire, the Trustees would be accountable. In the new constitution, Trustees do not need to have any day to day involvement, but would oversee major decisions, including closure of the charity. The assets of the Trust would then be protected, forever. It is difficult to become a Registered Charity, by becoming a charity we open to opportunities such as gifts being left in a will etc.

Caving is not a charitable subject but promotion of exploration, exercise etc - these are our charitable aims. BS noted that we have built our Charitable Constitution around government outlined objectives.

MC asked, what do the Trustees think? If the Trustees do not wish to own, then that ownership of assets has to be adopted by committee members, which is certainly something to bear in mind. JR stated that in the late 1980's, the investment portfolio was created and has been very successful in generating funds to date. The Trustee Act has introduced new duties to the charity they look after; and that they should have the qualifications and experience to professionally invest our assets. The CIO still envisions the Trustees will be able to provide oversight but ultimately, will have less personal responsibility. The CIO will still have its own assets and, at present the charity could be sued and individual(s) held responsible. In the new constitution, we have tried to outline with more clarity where responsibility lies and we have tried to limit this personal responsibility where possible. Another comment suggested that one day we may wish to purchase the land of a cave, this should be taken forward in the new constitution to keep this opportunity open.

RC asked if we agree in principal, that we wish to convert.

BS - If the MCG was to proceed with converting to a CIO, we would be required to submit our accounts online and on time and, this is an important factor. The charity's accounts at the moment, require little attention, just incoming expenditure with notifications of when these things are due. Very little time is taken at present, to take care of this. The situation is that the courts are our last resort, if we missed deadlines and the cottage was in jeopardy in being lost due to a forgotten act regarding paperwork. If we are concerned, professional advice should be sought after.

Do we have additional obligations by moving to a CIO? Accounts Examinations are separate to this discussion and would continue separately, this would only change if the MCG started receiving 500k annually. Professional advice would be less of an issue if this was the case. TH – Charity Commission website, accounts should be submitted within 10 months, if we made between 10-25k.

KF – What do we lose? As opposed to what do we gain?

The club would lose the current burden to Trustees. At present, it is personally owned by four people – this is particularly worrying if the Trustees decided they wished to sell the MCG and its assets. Rogue Trustees pose a danger to the longevity of the club. The MCG would still be a private organisation registered with the Charity's Commission. Stopping fraud is a consideration to take into account, and can be prevented to a degree by appointing the right type of people and, filing our paperwork with the right organisation. However, despite the conflicts between Trustees and Committee Members, there will always be potential for someone to take financial advantage of this/their position.

TS – Decisions? Would we lose the power to make decisions? This would be an administrative change and the roles of the individuals will be more defined for the benefit of the members.

EW – Would our status have any impact on our Third Party liability insurance from entities such as the BCA, if we changed to a CIO? Answer unknown and, clarity is needed here. Investigations into our buildings insurance and whether our premier would rise, again needs investigation. Our current insurance is not attached to a legal entity, current insurance is in the name of the Mendip Caving Group and therefore our policy may be void. We are not a legal entity, the only people who can insure a property, are the people who own it.

Vote in principal suggested by RC.

Two resolutions were voted through.

**Resolution** “that the MCG registered charity number 270088 should convert to a CIO”

EW – proposed

RC – seconded

Non – voter MC recorded votes: 17 in favour, 0 abstentions, 0 against.

**Resolution** “that the committee should check our property and liability insurance is not adversely affected by conversion to a CIO and report back to the membership at a general meeting.”

BC – proposed

KF – seconded

Non – voter MC recorded votes: 15 in favour, 0 abstentions, 0 against.

A third resolution was proposed but not voted on. This will be proposed at a future EGM.

**Resolution** “to accept the terms and conditions detailed in the draft Constitution of the MCG as a CIO (to be circulated in advance of the Special General Meeting and presented and amended during the meeting), and to authorise the MCG committee to apply to the Charity Commission for registration as a Charitable Incorporated Organisation on the basis of the draft CIO Constitution”.

**4. Read through of the new constitution and comparison with the existing constitution, recording of any proposed amendments to the new constitution (live edit) Bill providing the live edits.**

It was highlighted that the name of the group will remain the same. Objects would stay the same too.

Point 1            Keeping its name, the CIO will have a new Charity Number. Of course, there will be an overlap but we do not need to close the old version, until we are happy with existing constitution. We may however, need to check that we can have two entities with the same name. We as a collective, wish for the name to stay the same. If the Charity Commissioner declines, we can address this in due course. New Charity Number should suffice while the two entities exist side by side. All agreed.

Point 2            Principal Office – we are required to have an office or place of residence in England and Wales. An address is not required and our office could be anywhere. However, if this was the cottage address and it was printed in the constitution, we would then have to apply for a change of address. All that is required is confirmation that our office is in England and Wales. All agreed.

Point 3            This section is to stay identical to its existing statement. All agreed. Charitable objectives are the subject of a lot of scrutiny.

Point 4            (i) No comments.  
                      (ii) No comments.  
                      (iii) The type of property we have can be important when it comes to disposal.  
                      (iv) The tradition of people doing work, lots of it free of charge, has enormous benefits for the club and its members. However, there will be times where this is not suitable and the work is best undertaken and completed by professionals, each of whom should be paid. There is a subject where committee members can be employed for their services, providing the committee agree to this. The CIO would control its own affairs and be in a position to take advantage of the generosity of members completing professional work. Provisions for this are in place without breaching the charity rules. This will not prevent members from (non-committee) offering their services and being paid for them, acting as professional companies – this is a separate procedure.  
                      (v) No comments.

Point 5            If a Trustee or Committee member is to benefit from offering their paid services by the Club, then they would have no vote on whether this was approved or denied. All agreed.

Point 6            All agreed.

Point 7            Individuals will not be permitted to any partake in any decision making which goes in their favour if, they have declared business interests etc. in the club.

- Point 8            Option 1 and Option 2. Option 2 removed, Option 1 states no liability falls to individual members. It was agreed that the sum of £1.00 per members in this event would have no weight in the event liability fell to the members. Our charity is not large enough for this to have a positive impact as such as therefore, for simplicity was removed.
- Point 9            (i) The same as original.  
                       (ii) Writing or email changed to 'recorded'.  
**Action required for core group** to clarify the definitions and privileges of Honorary and Probationary Members.
- Point 10           (i) Second clause has been added to break down the aims of this point. Some clarity and discussion over the definition of 'honorary' and 'non-portfolio' and this has been simplified and removed to make it clearer. Discussion as to how many permanent committee members we should have, can probationary members be co-opted in and if so, how many? How many additional committee members might we need, how do we factor these in without having to update the constitution each time a new role is added. (Wording and content under discussion)
- New constitution gives four Trustees the power over the interest of the group. The Trustees then delegate their powers into the members of the Committee, hence the stress on the roles of the Committee.*
- It was agreed that a minimum of seven individuals (as opposed to eight) are required as committee members and to make informed and sensible decisions on behalf of the club. The roles are then defined later in clause
- (i) we are not restricted if one individual committee member wishes to adopt more than one of these roles if required or preferred.
- (ii) Associate members have been removed from the Committee in the new constitution. Honorary members are Full members and therefore are included in the statement of 'full members' (ii).
- (iii) Minimum term served by committee members removed of 'between three and twelve months' and changed to 'between annual general meetings' to reflect that 12 months has and will not always exist between the annual general meetings.
- (iv) Committee meeting details brought up from further down in the document and incorporated into Point 10. Statement added to show that these decisions will be made readily accessible to the rest of the group. Point '10 (iv) b' added to include how decisions made outside of committee meetings are recorded and can be proven to show that the group agreed before the decision was made and acted upon. **Action for Tim Francis, Ben Cooper, Bill Chadwick** is to word this correctly.

## 5. Vote "Adopt the new constitution dated 21 July 2019 as the MCG's constitution" including postal votes received by the secretary

Not voted on

## 6. Vote on amendments to the July 21 constitution proposed at the EGM

Not voted on

All votes to change the MCG's constitution require a four fifths majority of those present.

**Mid-January 2020** proposed for a follow-up EGM meeting to continue discussion and re-visit areas in need of action. This meeting is anticipated to be a half-day discussion on the document. Changes made to this document at the working group meeting (open to all members) will be presented at the AGM. There will be timeframe of which to comment on the document issue today.

14 votes in favour, 0 abstentions, 0 against.

Meeting closed (13:15)