Stragglers Annual General Meeting - 26 September 2024

The Stragglers Running Club – Proposal to move forward towards becoming a Charitable Incorporated Organisation

Background

In September 2023 the AGM received a proposal to explore the adoption of a new legal form for the club that better reflected the current circumstances and ambition of the club; and the AGM agreed <u>in principle</u> that it supported the proposal for the club to become a Charitable Incorporated Organisation (CIO). A copy of the paper presented to the AGM, and which set out the background, alternatives and advantages and disadvantages of the proposal can be viewed here <u>ce84c1_7b5949af9ef7499488119c2a011791a7.pdf (stragglers.org)</u>.

The Stragglers has, since its inception, operated in the form of an unincorporated association. This traditionally has been the most common type of legal form for an athletics club, being seen as the simplest, cheapest, and most informal way of running a club. Essentially, it is a club run by the members predominantly for the benefit of the members and with little or no outside control other than those requirements imposed by the club's national governing body.

While our current form has served us well over many years, the proposal is that the club is now operating in such a way that has outgrown the informality of an unincorporated association. Having undertaken more research, preparation and engagement since last September, the Committee is recommending that the club moves forward towards becoming a CIO. This paper sets out the work undertaken since last September, the current position and proposed next steps.

Work since September 2023 and Current Position

A key question raised at last year's AGM was to find out more about the experience of existing CIO's. A listing of all CIOs can be found on the Charity Commission website and in January 2024 there were just under 900 CIOs listed with a stated connection to "amateur sport". These ranged from very small to quite sizeable organisations, and from very specialised ones to very general. The average annual turnover was £126,000. Relatively few organisations currently appear to be running clubs – which is understandable given that most operate with smaller turnovers than the Stragglers and can therefore benefit from alternative structures such as community amateur sports clubs. Contact was made with a number of CIOs which appeared to be of a similar size and to have a similar ethos to the Stragglers (for example Fareham Swimming Club) and the feedback was overwhelmingly positive in terms of the benefits of CIO status and the lack of disbenefits.

Work has been undertaken to develop a constitution for the CIO. The Charity Commission helpfully has published a model constitution for different types of CIO, and we were able to use the one that most closely resembled the structure of the existing club – the "association" model, in which all members (not just the committee/board) have a vote at general meetings. Developing the constitution has been a major task and has taken more time than originally anticipated. It has involved input from a working party (advertised via Stragmail, and including one non-committee member in addition to those from the committee), extensive review and discussion at committee meetings and a review by lawyers retained by England Athletic, Muckle LLP. The current draft (version 10) has been circulated as part of the Q&As and can be found

here <u>ce84c1_b6d52c4fe544468aac3ad3ab599dc0c7.pdf</u> (stragglers.org). The model Charity Commission constitution is written in a different style to the existing club constitution, but great care has been taken to incorporate the key features of the current one into the new format. An explanatory guide has also been produced and can be found here <u>ce84c1_4dfcc60c79174c5db8d9ba441a49ab72.pdf</u> (stragglers.org).

In July the committee agreed to recommend to the AGM that the club should progress towards becoming a CIO. The constitution, explanatory guide and FAQs were published in August, and the FAQs have been updated in response to questions received from members ce84c1_98cf1c8f1fd04285bfa869f8115429b5.pdf (stragglers.org).

Next Steps

At this meeting the AGM is invited to review and comment upon the draft constitution and, if supportive of the proposal, to agree to move forwards towards becoming a CIO. It is important to note that this meeting is <u>NOT</u> the final time that members will consider the CIO proposal; this is a fundamental issue to the club's future, and it is proposed that a special general meeting is called so that further and full consideration can be given by members prior to an application being made to establish a CIO.

The specific next steps would be (please note legal advice is being sought to confirm the proposed process; if any revisions are required these will be incorporated into an updated version of this report):

- The special general meeting will be asked to approve the proposed constitution and decide whether to submit an application to the Charity Commission to establish The Stragglers Running Club Charitable Incorporated Organisation; it will also be asked to elect an initial group of trustees. The aim would be to hold the special meeting in November 2024.
- The Charity Commission will review the application and decide whether to approve it; it is understood that the time to be taken by the Commission varies according to the type of application submitted, but by sticking fairly tightly to the model constitution we would hope that the application could be approved in early 2025; on approval by the Charity Commission the CIO comes into existence.
- Subject to approval, existing club members would be invited to register as members of the CIO in April 2025; this would be exactly the same as the existing re-registration process, with annual subscriptions at the rate agreed at this 2024 AGM.
- The advice is that the existing unincorporated association club should be maintained for a transitional period before being formally dissolved through a special meeting (probably in late 2025); members registering with the CIO would be asked if they wish to also retain membership of the "old club" (for which no subscription fee would be charged). During the transitional period any assets of the club will be transferred to the new CIO (such as bank accounts) and any liabilities (such as tax from previous years) settled.

Recommendation

The AGM is asked to consider the proposal, comment on the draft constitution (comments can also continue to be submitted outside of the meeting, via <u>cio@stragglers.org</u>) and to agree whether to move forwards towards becoming a Charitable Incorporated Organisation based on the next steps outlined above.