

## **AGENDA ITEM 4**

LRG AGM 18 June 2020, held virtually

### **Conversion of Landscape Research Group into a Charitable Incorporated Organisation (CIO) on the 'Association' model**

#### **Background**

The Landscape Research Group (LRG) was founded in 1967 as a small membership organisation, with its first AGM taking place in 1967. In 1983 the Group was incorporated as a 'private company limited by guarantee' (12 April 1983, Company No. 1714386) and registered as a charity (24 June 1983, Charity No. 287160). Over the many years that have passed since, the various documents comprising our constitution have become increasingly unfit for purpose as our membership grew and in a world of email, online meetings, ever wider scales of networking and more transparent forms of governance. This raises significant risks that at some stage our actions might become unconstitutional or open to legal challenge.

This has become increasingly apparent in recent years as the Group has become more international, and as its activities have expanded, in particular in recent years during our attempt to expand the role that members, as opposed to merely trustees, can play in the Group's activities. The Board has for the past five years been consolidating and improving the Group's governance policies and procedures, but further progress is now constrained by our present cumbersome constitution.

#### **Current charity best practice**

The Charities Act 2011 introduced a new hybrid form of organisation for charities and companies. This is the **Charitable Incorporated Organisation (CIO)**. Its 'Association' form was designed for charities like LRG which have a wider membership including voting members as well trustees. CIO status has been available since 2013 in England, and parliamentary regulations for conversion of existing charities to CIO status made in 2017 were activated from January 2018.

Converting to a CIO would allow us to avoid the duplicate reporting procedures required by our current dual status under which we are accountable to both Companies House and the Charity Commission. It would also provide us with an opportunity to revise our constitution to reflect the 21<sup>st</sup> century, whether concerning the existence of internet-based communications or the use of gender-neutral language in our constitution gender-neutral. We could also streamline our trustee recruitment, rotation and election processes.

#### **A New Constitution**

Following trustee discussion and agreements at recent Board meetings, the Board proposes therefore that LRG is converted into a Charitable Incorporated Organisation on the 'Association' model. Under our current constitution, and following Charity Commission rules, the conversion process requires the approval of members at an AGM, by means of two resolutions, one to approve conversion, the second to agree the draft constitution.

If members at the AGM approve these Resolutions, the next step will be to submit the two resolutions and the proposed CIO constitution to the Charity Commission. If the application is granted, the new CIO will be incorporated, and the currently existing limited company's registration will be cancelled. The draft new constitution accompanies this paper. It has been compiled by trustees with the specialist advice of Counterculture LLP, customised to LRG requirements and circumstances using the flexibility provided by the Charity Commission's Model Constitution for CIOs.

## **Principal Changes and Benefits**

Apart from the over-riding requirement to replace our outmoded constitutional framework with a new, easy-to-use governance framework, there are other more specific benefits of conversion. These include the following:

- Under its present structure, LRG is regulated by both the Charity Commission and Companies House. Following the conversion, we will be regulated by the Charity Commission only. This will result in a reduction in bureaucracy and paperwork as we will only be required to file information with the Charity Commission.
- An updating of the language in which our constitution is written. Our present constitution is both difficult to understand (it must have been archaic even when written in 1983) and falls well short of current norms concerning, for example, terminology, gender assumptions, customs and attitudes.
- Improvement of the trustee election processes, whilst retaining the crucial role of members at (or virtually present at) an AGM or by proxy, thus continuing the partial improvements and increased open-ness that we have started to achieve in the past two years.
- A new and more efficient system to ensure a healthy rotation of trustees by introducing defined fixed terms (renewable once by re-election). Instead of all trustees stepping down every year (the current rule, which always risks a complete loss of Board expertise), the longest-serving one-third of trustees will retire or seek re-election each year.
- Clear rules for the use of digital communications, meetings and voting. Our current constitution assumes that all business is carried out by letter and that meetings – for example, the AGM – require physical attendance, which has become increasingly impractical as we have grown less London-centric and more international.
- The ability to introduce a parallel category of non-voting members, should in future the Group's activities develop in that direction
- A constitution that matches modern Charity Commission expectations, and thus easier to keep in alignment with future Charity Commission requirements as they evolve.

## **AGM approval**

The Board therefore asks the members 1) to agree to convert to a CIO, for the reasons explained above, and 2) to agree the adoption of the draft Association CIO constitution attached to this paper. These are 'special resolutions' under the terms of our existing constitution, which must be passed by 75% of members eligible to vote in a general meeting. The wording of the special resolutions proposed to be passed at the meeting are reproduced below:

**RESOLUTION 1.** THAT the Company (registered company number 01714386 and registered charity number 287160) should convert from its present structure of registered charitable company limited by guarantee, to become a Charitable Incorporated Organisation (CIO) as provided for under the Charities Act 2011 and the CIO Conversion Regulations 2017.

**RESOLUTION 2.** THAT the draft Association CIO constitution produced at the general meeting on 18 June 2020, be adopted as the constitution for the Company (registered company number 01714386 and registered charity number 287160) when it is converted into a CIO.