

**CONSULTATION WITH CATENIAN BROTHERS & THEIR FAMILIES
ON THE CREATION OF THE
CATENIAN ASSOCIATION BENEVOLENT & CHILDREN'S FUND
CHARITABLE INCORPORATED ORGANISATION (CIO)**

Introduction

This is an invitation to comment on the proposal of the Trustees of The Benevolent Fund to change the structure of the Charity to a CIO. There follows a brief description of the CIO and how it would work, plus information and links to obtain a copy of its proposed Constitution and how to submit your comments.

What is a CIO?

It is a new form of structure for a charity. It was introduced in the UK's Charities Act 2011 and has been in use since 2013. It is like a Limited Company in that it gives some protection against liability to its Directors (Trustees) though it is subject only to Charity law rather than Company law as well.

Why change?

The Governing Document of the Charity is a Trust Deed dating back to 1991. The Charity is currently constituted as an unincorporated structure. Being unincorporated, the Charity is not a legal entity in its own right. To be able to act together (e.g. to enter into contracts or make loans) the Charity Trustees have a Custodian Trustee, Catena Trustees Ltd. This structure has served its purpose but it is cumbersome and due for an overhaul.

The CIO is a corporate structure with its own legal personality that will simplify the administration of the Charity. Its Governing Document is a Constitution based on a recognised template created by the Charity Commission and is up to date in terms of Charity law, including the most recent Charities Act 2022.

The Charity will operate in the same way as it does now, carrying out the same activities. It is important to stress that there is no change proposed to the Objects and Ethos of the Charity.

How will the CIO work?

To someone encountering the Benevolent Fund, for example as a donor or beneficiary, there will be no difference in practice, except for the change of name, charity number, and the bank account details.

Apart from some changes described below, the draft Constitution stays close to the provisions of the 1991 Deed while reflecting recent legislation and good governance practice.

What changes are there?

- Clause 6 of the draft Constitution deals with the constraints on payments and benefits given to trustees and persons connected with them. The clause is more detailed and specific than previously, reflecting current charity law.
- Clause 7 is new and deals with the management of potential conflicts of interest and loyalty. The Trustees have a Conflicts Policy and maintain a register of conflicts. Conflicts of financial interest rarely occur. Conflicts of loyalty can sometimes arise, for example if a Trustee also holds high office in the Catenian Association.
- Clause 9 is about the Trustees and is in three parts.
- Clause 9(1) is new and documents the general duties of Trustees in accordance with charity law and Charity Commission guidance.
- Clause 9(2) is new and deals with eligibility to become a Trustee. There is no constraint (other than legal) on who can become a Trustee, though up to now all Trustees have been Catenians. The current Trustees feel that the Board could be strengthened by the appointment of some experienced Trustees with a strong connection with the Catenians, for example wives and widows of Catenians. The draft constitution permits this.
- Clause 9(3) increases the maximum permitted number of Trustees from nine to 12. The intention is to create vacancies and give flexibility to diversify and to assist with succession planning, rather than waiting until vacancies arise. The clause specifies that a majority of Trustees must be Catenians.
- Clause 10 deals with the appointment of Trustees.
- Clause 10(1) specifies that new Trustees will be appointed for five years. (Clause 12 allows reappointment at the end of five years.)
- Clause 10(2) specifies that when appointing new Trustees, regard must be given to any gaps in skills, knowledge and experience that may need to be filled.
- Clause 10(3) specifies that it is the Trustees themselves who appoint new trustees to the Board and the Trustees must consult with Central Council on the suitability of any person they are considering appointing as a Trustee. The existing Trust Deed states that Central Council appoints Trustees, however, in practice, the Trustees identify suitable appointees and nominate them to Central Council for appointment. The proposed future approach is therefore akin to the current approach in practice and seeks to ensure the Charity's independence in accordance with Charity Commission guidance, including that the Trustees and only the Trustees must make decisions in the best interests of the Charity. However, as a matter of due diligence the Trustees consider that it is important that those with care for the best interests of the Catenian Association should be consulted on the appointment of Trustees.

Conclusion

The Trustees are not asking for a “yes/no” vote on the proposed change but will welcome comments, questions and suggestions. All responses will be logged, acknowledged and put before the Trustees for consideration. Ultimately a summary of the consultation will be sent to the Charity Commission to demonstrate that your views have been taken into account.

To obtain a copy of the draft Constitution visit the website www.catenianbenevolence.org to download it or contact the Clerk to the Trustees for it to be emailed or posted to you at – clerk@catenianbenevolence.org . Responses should be sent to the Clerk. by 30th April 2024.

Phil Roberts

Clerk to the Trustees