



The New Articles of Association – what is changing?

At our Special General Meeting on March 28th 2019, those present will be asked to approve a new governing document for NWBA. This summary seeks to explain the key changes between this and our existing governing documents.

Introduction

The New Articles of Association will replace two existing documents - our Memorandum of Association and our Articles of Association. These were originally approved and lodged with the Charity Commission when NWBA came into being in November 2001. (This replaced the Lancashire and Cheshire Baptist Association). The provisions of these two documents will now all be contained within our Articles of Association.

Key changes

The key changes could be categorised in three ways:

- (i) Those which reflect our intended operational changes
- (ii) Those which reflect changes in law and regulation
- (iii) Those which embrace changes in technology etc.

Operational Changes: The key change is to reduce the size of our trustee body to 12. It will become a more specialist group, focussing on the technical running of the Association, giving greater responsibility for strategy and vision to the member churches through our General Meeting (Forum). With a larger, mostly part-time staff team, it is no longer practical, or a good use of our resources to expect them all to attend meetings of Council. (also referred to in various documents as trustees or directors) Various provisions have therefore been removed for all Regional Ministers to attend these meetings.

Another change is in respect of membership which ultimately becomes the responsibility of trustees rather than the General Meeting. The detail is outlined in sections 10, 11 and 12. It should be noted that while this is handed over to trustees, it involves rigorous scrutiny of their actions, and would allow a General Meeting to challenge any action taken. This would also allow churches to be brought into membership more quickly where this is appropriate.

Coupled with this is the introduction of a clause (11) which allows the provision of different types of membership. This will both allow us to continue our existing practice of offering “Covenant Membership” to churches exploring a relationship with us and adapt to any new expressions of church and mission that emerge in coming years.

It is common practice that when a charity updates its constitution and articles in such circumstances, it also makes updates to reflect developments in regulation and good practice that have occurred since the last version was compiled. NWBA have sought relevant legal advice and included such changes within the new document being proposed.

Changes in law and regulation: Coupled with the above, the Charity Commission is urging that employees serving as trustees is kept to a minimum, and that such trustees operate under stringent regulation. A number of clauses have been introduced that enable and regulate the appointment of an “employee trustee” in anticipation that only one team member (probably the Regional Minister Team Leader) will continue to serve as a trustee/director. The original clause which was worded:

“The Regional Ministers of the Association who are Council Members pursuant to Clause 15 of the Articles of Association shall be entitled to be paid such remuneration and benefits in respect of their employment by the Association as other Council members shall from time to time decide, provided always that any such person shall withdraw from that part of the meeting at which his or her appointment, dismissal, remuneration or other terms are discussed or decided and shall not count towards the quorum for any such meeting.”

Is replaced by a much fuller section (7.2) which complies with current charity legislation for an employee trustee.

Most of the other changes are spread throughout the body of the full document, the most notable being far more stringent requirements around conflicts of interest and disclosure.

Changes in technology: Other changes reflect how technology has changed the way we do things. The most obvious are the changes to “notice” clauses that allow the use of electronic communication as a recognised means of communicating with and between member churches. Not only is this a far more efficient and cost-effective way of working, it enables us to operate in a more environmentally sustainable way. For all that it allows the use of electronic communication, it also requires that alternative provision is made where this is not accessible.

Those who wish to can compare the full text of the new and existing documents. However, for those who would find it more helpful, we have compiled the following summary of the new Articles of Association. This is outlined below:

Section 1 – is largely unchanged from section 1 of the existing Memorandum of Association.

Section 2 – introduces various interpretations of terms used later in the document. There is an equivalent schedule in the original Articles of Association (section 1)

Section 3 – This protects the liability of members and is an updated version of sections 7 & 8 in the original Memorandum of Association.

Section 4: Objects – this is equivalent to section 3 of the original Memorandum of Association.

Sections 5 & 6: Powers & Applications – this is an updated version of section 4 & 5 in the original Memorandum of Association.

Section 7: Benefits and payments to directors -This is a far fuller and more rigorous version of what was originally included in sections 22 and 23 of the existing articles of Association. It reflects various updates in UK law and practice. This section also deals with the situation of employees being appointed as directors/trustees, which is now the subject of far more stringent regulation. This therefore also replaces **clause 6** in the original Memorandum of Association.

Sections 8 & 9: These clauses add further scrutiny to trustees/directors that reflect recent developments in law and good practice.

Sections 10 & 12: These replace section 2 in the original Articles of Association. The key change is that the original articles included an annexe that listed member churches. Because this is a revision to Articles that are already in place, no annexe is needed. It simply refers to how churches become or resign as members. There is a slight shift in the roles of trustees and the General Meeting.

Section 11: It is our existing practice to offer “Covenant Membership” to newly formed churches or churches that are exploring becoming members of NWBA/BUGB. This section is added to recognise existing practice.

Sections 13-18 & 22: These replace sections 6-12 in the existing Articles. They provide a fuller and more detailed account of expected proceedings, with a separate Article for each eventuality.

Sections 19-21: These outline a process for proxy voting. Although this has never been used, in accord with current practice, provision is made should it be decided to implement it at some future date.

Sections 23-37: These outline the responsibilities, process of appointment and proceedings of directors. These replace the previous clauses 15-31 of the existing Articles referring to the operation of Council. They largely update and offer more detail on these various proceedings to ensure they comply with the requirements of the Charity Commission for the operations of a trustee board. The obvious change (see above) is that they reduce the anticipated size of Council to between 6 and 12. Another key change, in accordance with current practice, is a much fuller section on conflicts of interest and appropriate disclosure.

Sections 38 & 39: These outline the obligations to prepare annual accounts and comply with Charity Commission regulations. They replace sections 35 and 36 of the existing Articles and are updated to reflect current regulations and practice.

Sections 40-42: These outline the legal obligations and definitions of serving notice. They replace sections 37-40 of the existing articles and are updated to reflect use of new technologies and electronic communications.

Section 43: Indemnity – this replaces section 41 in the original Articles of Association and is largely equivalent.

Section 44: Rules – This is an updated version of section 42 of the existing Articles of Association which is headed “bye-laws”.

Section 45: Disputes – This is a new introduction and urges that any disputes are sought to be resolved through mediation before resorting to litigation.

Section 46: Dissolution – This outlines the procedure should the Association be closed down and is largely equivalent to Clause 9 in the original Memorandum of Association.

Section 47: Interpretation – It was noted above that much more thorough regulation of conflicts of interest on the part of trustees is now required. This section simply qualifies some of the terms and requirements outlined in that section.

The new Articles no longer include specific clauses on

The Company Seal (AoA 34) – this is no longer deemed necessary

The Secretary of the Association (AoA 32) – this is no longer deemed necessary

The initial members of council (AoA 16)– this is because the original articles were written to form a new legal entity. These simply continue to work of NWBA under a new regulatory document, so no such definition is needed.

While recognising the importance of these changes, we hope that much of the time at our Special General meeting will be given over to hearing more about the work and vision of NWBA in general. We would request therefore that if you have significant questions or concerns about these changes, that you seek to resolve them before the meeting by contacting the NWBA office.