

REYC Governance Review 2017

Terms of Reference

Background

In the last few years there have been significant changes in the size and shape of the Armed Forces which have been replicated in the Royal Engineers. At the same time, regulation by civilian agencies (principally the Maritime and Coastguard Agency) has become more forensic, and the range of legal structures available such as Charitable Incorporated Organisation (CIO) and Company Limited by Guarantee (CLG) have become more numerous. The balance of the membership has altered, with retired and civilian members now in the majority. Finally, the relationship between the various service sailing associations has changed.

An initial review of the current governance model and the new environment in which the club finds itself has suggested to the Trustees that the present arrangements may no longer be fit for purpose. As a result, the Trustees considered it prudent to conduct a fundamental review of the governance of the REYC.

Aim

The aim of the review is to examine the current governance model and structure in order to identify options that: -

- Ensure Trustees/Directors, management, staff, members and assets are supported by an appropriate legal structure.
- Ensure legitimacy, transparency and accountability in the way authority and responsibilities are distributed, and information flows across the club.
- Enable efficient and effective decision-making at both Trustee/Director and Management level.
- Ensure strategic alignment between all elements of the club and effective oversight by the Board of Trustees/Directors.
- Ensure compatibility between the REYC and the wider Services sailing community.

Terms of Reference

The terms of reference specify the key areas which must be covered in the review. These are: -

- The current legal structure of the club (an Excepted Charity) to determine whether it is appropriate in the current regulatory environment.
- The size, composition, remit and terms of the Board of Trustees/Directors.
- The current distribution of authority and responsibilities between the Board of Trustees, the Main Committee and the principal sub-Committees.
- Improvements to the current financial accounting and reporting systems.
- The balance, boundaries and interactions between governance and management.

Review Team

The review will be chaired by Bob Hendicott on behalf of the Commodore. The core members of the Review Team will be: -

- Ross Wilson (Trustee)
- Leigh Jackson (Vice Commodore)
- Jon Roose (Hon Treasurer)
- Andrew Douglas (Membership Secretary)
- James Anderson (Hon Rear Commodore)
- Nigel Montagu (Hon Rear Commodore)

Other members of the Main Committee and the club may be consulted as necessary.

Expenses

Reasonable expenses (primarily travel) may be claimed by the Review Team. Significant expenditure (such as legal advice) must be discussed with the A/Commodore first.

Findings

The review is to propose options and/or make recommendations, ensuring acceptance and ownership of any changes. In particular, the findings are to cover the following areas: -

- The optimum legal structure for the REYC.
- A financial accounting and reporting system.
- A draft version of a revised Constitution/new Articles of Association.

These will then need to be circulated to the membership for consultation and agreement. Once agreed, the following further actions will be required:

- Revised Constitution/new Articles of Association finalised.
- Revised management structure finalised.
- (S)Election system for Trustees/Directors finalised.

All three proposals above will also need to be circulated to the membership for consultation and agreement.

Timetable

The key timelines for the review are as follows: -

Apr 17	Finalise Terms of Reference
May - Oct 17	Conduct research and formulate ideas. Confirm with grant providers that emerging options would not preclude future grants. Explore revised banking, finance and audit arrangements. Confirm Corps/Inst RE support. Draft Interim Report. Circulate findings to Trustees, Main Committee and Hon Rear Commodores.
Oct - Nov 17	Revise recommendations as necessary. Compile Final Report on proposed way ahead. Circulate to membership and seek 'agreement in principle'.
Nov 17 – Jan 18	Take legal advice on preferred legal structure and revise Constitution/prepare draft Articles of Association. Consider implications for management structure.
Feb 18	Prepare Formal Recommendations and circulate to membership.
Mar 18	Presentation at AGM and vote on recommendations.
Apr – Sep 18	Finalise Constitution/Articles of Association. Confirm legal advice on transfer arrangements to new structure. Finalise revised banking, finance and audit arrangements, and prepare for transfer. Finalise revised management structure. Prepare to transfer ownership of assets to new legal structure.
Oct 18	Existing REYC 'dissolved' and new REYC 'established'.
Oct or Nov 18	Start new REYC financial year to ensure 5-6 month gap between year-end and AGM in March.
Nov 18 – Jan 19	Rules and Bye Laws redrafted/Terms of Reference for subordinate committees drafted.
Feb 19	Revised Rules and Bye Laws/New Terms of Reference circulated to members.
Mar 19	Presentation at AGM and vote on proposals.

Appendix I - Definition of Governance

