

Changing the Ecclesiastical Law Society to a Charitable Incorporated Organisation

An Explanatory Paper

As part of a general governance review in the context of strategic planning for the next 5-10 years, the Committee has recommended that the Ecclesiastical Law Society be incorporated as a Charitable Incorporated Organisation (CIO) in place of its current constitutional status as an unincorporated association. This would require winding up the current unincorporated association and transferring its assets and all members to the CIO.

The reasons for the recommendation are as follows:

- a) The CIO is a newly created legal entity, enabled by the Charities Act 2011, which allows charities to retain their charitable status whilst enjoying corporate personality but without being separately registered or regulated by Companies House
- b) CIO status will give the Society a legal identity and existence independent of its members along with limited liability (as, for example, for a PCC, DBF etc)
- c) These factors are important given that the Society is an employer, has commercial dealings, and places contracts of an increasingly large value for conferences etc.¹
- d) Adopting the CIO model constitution will also incorporate the latest Charities Act provisions and powers into the Society's constitution, reflecting good practice.
- e) Becoming a CIO will give the Society these advantages without any addition to the administrative or regulatory burden
- f) The Society's existing constitution can also be reflected within the CIO framework, and revised if necessary.

The Committee seeks the approval of the Society at its forthcoming AGM to proceed with the proposal to wind up the current unincorporated association to incorporate the Society as a CIO.

Once the Society has signified its consent in principle, the Committee can proceed with the detailed work of finalizing a new Constitution, on a draft of which the membership will be consulted in the coming months, so an agreed version can be presented for formal adoption at next year's AGM.

3 March 2016

¹ The only disadvantage of a CIO (compared with an Incorporated Charity registered at both Companies House and the Charity Commission) is that it cannot secure loans by way of debenture because of the lack of Companies House registration; it is not thought that this will be a problem for the ELS.