

## Proposed Governance Reform

The Trustee Board of The Arts Society circulated to all Chairs of local Arts Societies, for discussion by their committees, a proposal to reform the governance role of the Trustees. The stated purpose was 'to modernise our structures and professionalise our composition', and 'to introduce appropriate governance structures to increase the number of co-opted members to the Board with specific skill sets and experience, relevant to the organisation's growth and development'. This sounded positive and uncontroversial. But, they continued, 'there is a need for the Trustees to be recruited in such a way as to demonstrate independence from the key stakeholders (ie. the local Societies) within the charity'. They perceived a 'possible conflict of interest'.

Their proposed Special Resolution was to change the Articles of Association; Member Societies' existing voting rights would be removed. All local Societies, and their members, (some 60,000 of us) would therefore be disenfranchised, and all voting rights would be vested in an appointed Board of Trustees (who would not need to belong to local Arts Societies) as the only members of the company. The Trustees would therefore become a self-appointing, self-policing group. They would approve their own actions at an AGM of the company at which only they could vote. It is currently proposed that there will be a Board of up to 15 Trustees, of whom only four would be Membership Trustees - a built-in minority. Member Societies would no longer be able to attend an AGM to vote in Trustee elections, approve accounts, appoint auditors, or have a say in the management of the funds invested in The Arts Society - annual fees, legacies, bequests, investments - and monies from the sale of Guilford Street.

Claire Sarkies and I attended the East Anglian Forum (55 committee representatives present). Similar regional fora were held simultaneously throughout the country. We benefitted greatly from the ensuing discussion, and the presence among our number of a corporate lawyer, who specialised in charities, and was able to clarify legal niceties for us in the voluminous documentation. The overwhelming majority of Member Societies at the Forum wanted to retain their vote and the ability to elect the majority in number of the Trustees on the Board, and the Member Societies were almost unanimous in concluding that it was unnecessary to change the existing Articles, (which were tailor-made for NADFAS by a specialist firm of solicitors, are 39 pages long, and are clear, consistent and comprehensive) to achieve the stated objective - the ability to appoint to the board Members with strong skill sets and experience - which every-one supported (and hoped had anyway been existing practice).

The Articles as they stand enable additional Trustees, with the skills needed, to be co-opted to the existing Board. There is no need to disenfranchise the entire membership to achieve this goal. Incidentally, neither the Charity Commission nor The Arts Society auditors required or recommended that Member Societies be disenfranchised.

The time scale for consultation was unreasonably short - and the Extraordinary General Meeting at which we were to vote was challenged as unlawful; our current Articles do not allow for an EGM to be held electronically. A General Meeting was therefore called for 3rd June. If the Special Resolution - to adopt a new set of Articles of Association - were to have been passed, this would be the last General Meeting at which Member Societies would have a vote on the constitution, conduct and future of The Arts Society. Our committee therefore instructed me, as Chair, to vote against the adoption of the Special Resolution.

On 5th June, we received the result of the vote from Civica Election Services. The Special Resolution was not approved by the voting members; 206 voted against; 86 in favour; 5 abstentions. The votes cast in favour were below the threshold of 75%. The Articles of Association therefore remain unchanged.