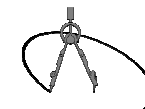


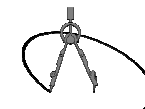
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6	+	Good work. I particularly like the “committee of one” approach to drafting. Given good review arrangements this is probably the next change from the existing arrangements. Our branch secretary circulated this saying that he didn’t think many people would be interested and their wasn’t much time for branch and association committees to prepare comments. This is an aspect of ringing which we need to kill off.	
12	Charitable Status	The benefits any downside of the reformed organisation remaining a charity should be evaluated and clarified at an early stage.	<p>This question falls outside the scope of the Rules Work as CRAG proposals A to F made clear that the Central Council should continue to fall within the jurisdiction of the Charity Commission.</p> <p>The legal perspective is that In the event that the Council decided not to remain as a charity, the existing body would need to be wound-up and an entirely new organisation created</p> <p>Although this is a decision for the future Executive, the research done by the Rules Work team leads to the view that the benefits of charitable status outweigh the risks.</p> <p>This fundamental question should not however be overlooked and the question will be raised with the new Council Executive.</p>



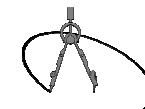
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4	Document Layout	It would be helpful to have a comparative document, ie existing rules and proposed new wording or reasons for no longer being necessary, laid out side by side.	The new Rules will be presented in a tabular format, with a commentary alongside each paragraph. The commentary will clearly indicate how the Rule is being changed and the rationale.
15	Elections	<p>I believe you may have missed a real and fundamental problem in your proposal for electing the four Executive members. It's a problem that the CC always had with electing Committees.</p> <p>Suppose at the end of the first triennium a new candidate stands and 75% of members think that he/she will be absolutely the best person to be elected. At the same time the existing four Executives stand again and no one knows much either in their favour or to their detriment.</p> <p>The result is that for every 100 members the new candidate gets 75 votes.</p> <p>But those 75 members who are voting for the new candidate also have three other votes – which they then share among the other four candidates because they don't want any of their votes to go to waste. So they spread them randomly round the other four candidates giving them 56 votes each.</p> <p>At the same time, the 25 members who know little about the new candidate, vote for the existing four Executives en block. Indeed, 25% of people will always vote for the status quo come what may.</p> <p>So the old guard each get a total of 81 votes per 100 members, which</p>	<p>We have reconsidered this area, but every electoral option appears to have its own downsides. The reason for electing the four 'non officer' members of the Executive together was to avoid a situation where either :-</p> <ul style="list-style-type: none"> • mediocre candidates could be elected in uncontested roles, whilst able candidates were defeated in contested elections; or • able candidates would stand back fear of challenging incumbents <p>If each position were voted for individually, natural courtesy could involve quite a few incumbents staying beyond their natural term, so our conclusion is that electing the four together promotes the health of the Council in the longer term.</p> <p>It will also give the Executive some flexibility as to how to deploy these four additional members to meet the needs of the organisation as they change from year to year. By contrast electing them individually would tend to 'institutionalise' them in specific roles where we actually want to encourage them to be team players.</p>



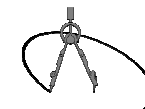
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		<p>results in them all being re-elected despite the great majority of members greatly favouring the new candidate.</p> <p>If you're intent on a sensible modern voting system, you really do need to address this.</p>	<p>The only solution which would overcome the "81" problem would seem to be Single Transferable Vote, but this seems too complex for an organisation of the Council's size and itself has downsides. With STV a small clique of only 21 determined people could force their candidate through as one of the four.</p> <p>IN the '81' scenario it would only take three or four people to feel that one of the incumbents was a little weaker than the others and the weakest candidate would fail to get in. On balance our conclusion is that the proposed model is not perfect, but all the alternatives are less favourable.</p>
3	Fellows	<p>Fellows : can we look at this on a case by case basis. It would be embarrassing for existing life members to resign their life membership in order to continue to do their work and have a say.</p>	<p>It is proposed that the new Procedures will transfer all existing Life Members of Council automatically to become Fellows.</p>
15	Individual Members	<p>If you give direct members voting rights you need Rules as to how those voting rights would be exercised, and you give no indication as to what those Rules might be.</p> <p>Without going into the administrative details, in essence a small group could:</p> <ol style="list-style-type: none"> a. Enrol a batch of fictitious members in ways the CC couldn't possibly detect; b. Vote them – possibly by proxy – to change the Rules; c. Immediately sack the existing Executive; d. Vote themselves in as the new Executive; e. Strip out all the assets; f. Disappear. 	<p>Making provision to pass any control over the Council to direct members is outside the scope of the current rules rewrite.</p> <p>It is part of CRAG's longer-term vision and the CRAG proposals require that the Council's new Executive conduct governance reviews every three years, and will recommend giving direct members the vote when it feels it is appropriate.</p> <p>Any changes will require rule changes, which will in turn require the approval of over two thirds of society representatives at a Council Meeting.</p>



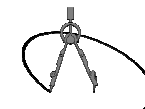
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			<p>We have reviewed the Council's systems of control, in the light of these comments and recent, well publicised governance issues faced by well known charities, including the RSPCA and Kids Company. A number of additional protections to enforce proper standards of communication and accountability over the new Executive have been included in the first draft of the Rules document.</p>
7	Individual Members	<p>It would make individual membership more attractive if a way could be found to give such members a direct voice in the Council of Representatives.</p>	<p>This recommendation forms part of CRAG's longer term vision for the development of a direct membership channel, but is not included in the rule changes which are required from May 2018 and is not therefore within the scope of the current Rule changes.</p> <p>Under CRAG Proposal D iii) the Executive must undertake a review of the CRO's rules and governance every 3 years to assess whether they continue to be effective and aligned with best practice.</p> <p>These reviews are required to explicitly include a recommendation as to whether it would be appropriate to transfer some or all of the powers of the CoRe to individual direct members. This requirement will be implemented through a Procedure.</p>
14	Insurance	<p>Employer Protection Insurance - a technical issue this, but the CC has "employees" because it has "authorised volunteers" who are deemed to be "employees" in certain respects. So it needs employer protection insurance even though it doesn't pay anyone.</p>	<p>Wording on insurance will be included in the first draft of the Rules.</p>



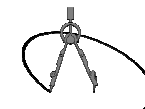
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16	Insurance	The Exec should be required to manage the risks of the council and one mechanism they are at liberty to use is insurance. We should not get into prescribing that they must insure the council's property as it may not be a cost effective risk transfer mechanism. Clearly this is different where insurance is required by law (EL). Ringers are great at motherhood & apple pie & waste a lot of money on unnecessary insurance.	<p>Charity Commission guidance is that the minimum standard is that <i>"the trustees must keep in repair and insure to their full value against fire and other usual risks all the buildings of the charity (except those buildings that are required to be kept in repair and insured by a tenant). They must also insure suitably in respect of public liability and employer's liability."</i></p> <p>The Charity Commission state "Clause 30 - These are the minimum requirements and trustees should consider if any other forms of insurance are needed."</p> <p>Whilst it is a reasonable question to ask whether the funds of a charity will be sufficient to permit these insurances to be put in place, the Charity Commission do not refer to any exceptions, from which it is reasonable to infer that their view is that the trustees have a responsibility to ensure that the charity's income is always sufficient to meet its necessary costs.</p> <p>We will review this area further to see whether there is any opportunity to give the trustees greater discretion as to the precise nature of the cover which they purchase.</p>
8	Minutes	All meetings should have a set of minutes.	This requirement will be incorporated in the draft Rules.
2	Officer Terms	May I urge you all to look again at the provision for 3 year terms renewable once. I was responsible for the suggestion (many years ago)	The requirement of CRAG Proposal B v) was "All posts will have a term of office of three years renewable no more than once, except for the initial



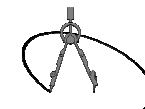
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		<p>that Chatham House Council members be restricted to this and in the light of experience reckon that thee 3-year terms would have been better.</p>	<p>appointments as specified in (vi) below.”</p> <p>This was a clear instruction and Charity Commission guidance does not support an alternative approach. However, should the Council’s view change, it will be able to modify this or any other rule at any of its Annual Meetings future years, based on its experience.</p>
20	<p>Powers of Executive</p>	<p>The rules should be formulated so the Executive is always subservient to the Council of elected representatives. While the Executive will (or should) carry out day to day running of the organisation, it should be (and needs to be) possible for the CofR to give direction (most large organisations usual have several special resolutions at their AGM).</p>	<p>We have considered this area more fully with a view to providing greater clarity on the various situations in which the Council may wish to exert influence on the Executive. Ultimately, the members of the Executive as trustees carry operational risk for the affairs of the Council and are personally liable in connection with their duties.</p> <p>The model employed by most UK charities is that the trustees are empowered to make decisions, but the governing body imposes rules and policies which govern their action, and can remove them at any time.</p> <p>We have therefore concluded that the influence of the Council on specific operational matters should be advisory, in line with the Charity Commission Model Constitution. However accountability will be enforced in two key respects :-</p> <ul style="list-style-type: none"> • The new Rules will require that decisions of the Executive are published and significant decisions which affect the Council’s assets can only be made by referral to a Council Meeting. • The Council will be empowered to remove the



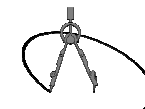
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			Executive at any time, at a Council Meeting.
5	Powers of Executive	<p>May I suggest that there's a need for greater clarity about exactly which of Rules / Procedures / Policies / Transition are binding on the Executive and/or the Central Council, and the process for amendment? I am particularly concerned about the Procedures and Policies. I stress that I am very much in favour of what you are doing, and I'm not trying to be destructively critical. I just feel that there are a few uncertainties or potential mis-readings, described below, that perhaps need a little more explanation.</p> <p>Presumably Rules are binding, and rightly so. I'm less clear about Procedures.</p> <p>I would have thought that if the Executive introduces a "Procedure", it should also have the power to amend or withdraw it (which effectively makes Procedures non-binding). Your email suggests (or could be misread to imply) that, while the Executive can introduce a Procedure, it can't then amend it, but that changes can be implemented only by a simple majority vote of the Council. This seems odd. It would lead to the ridiculous situation where the Executive introduces some Procedure, but then someone points out some mis-wording or special case that has been overlooked: the Executive would then be unable to correct the error or omission without a Council vote.</p> <p>It may however be that your intention is that the Executive can introduce, amend and remove Procedures, but that also the Council</p>	<p>The Architectural Decisions document referred to a "two keys to the lock" process in which the Council's Rules would be wholly controlled by the Council of Representatives, whilst its Procedures could be maintained by the Executive and by the Council alike.</p> <p>These comments indicate that that this process could prove cumbersome and could lead to contention between the Executive and the Council, who could in turn remove and reinstate the same Procedure.</p> <p>The draft Rules therefore adopt a simpler alternative. As a result, Rules are under the control of the Council of Representatives and Procedures are under the control of the Executive, meaning that the Executive can create Workgroups at will.</p> <p>We have however, built in some protections which would allow the Council to intervene in the event that they thoroughly disagreed with the Executive's approach, but their only recourse would be to back or sack the Executive. They would not be able to meddle in the detail.</p>



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		<p>can amend them (but apparently not introduce or remove??); and that in the event of a disagreement between the Council and the Executive about an amendment, the Council's ruling takes precedence. That seems more sensible, but if so then I suggest you should make it more clear that the Executive can introduce AND AMEND AND REMOVE Procedures. But this is also problematic, as if the Council amended a Procedure there would be nothing to stop the Executive subsequently introducing a further amendment (which might be genuinely needed, or might be an attempt to subvert the will of the Council, or some awkward bit-of-each situation). It may be though that you are relying on common sense here - plus the fact that the full Council could presumably sack an Executive that deliberately misused this power - I think that would work!</p> <p>With Policies, is it the case that these are guidelines rather than binding? I would hope so. Thus the Executive or other relevant body would be indicating to members what policies currently guide its decisions, but would be free to make a decision in breach of such published policies if the need arose, or to vary the policies. If these are non-binding guidelines (or can be varied at any stage by the Executive, making them effectively non-binding), then I suggest that this should be made more clear.</p>	
18	Powers of Executive	I would have thought the executive should have the power to create & disband workgroups as workgroups are the mechanism through which the executive delivers the vision/mission it is accountable to deliver.	
9	Process	I can't answer the last one as it is totally unintelligible. Somewhat	Noted. This was the only such response, but the



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		ironic given that it refers to simplifying things. Can't you just say what you mean.	question was rather long.
13	Process	Why are there no women on this workgroup.	The Workgroup was formed from all those who put their names forward.
1	Process	The survey only asks if you are a representative member – I am an ex-officio member	Noted.
10	Process	The RW article itself is far too long. Many will not get to the end. I know that these are complex issues, but if you want grassroots feedback you need to get to the point quickly.	Noted. The first article needed to set the scene, but future RW articles will be much shorter.
11	Process	Why is there no link to this in the RW article. Saying that it can be found on the CC website is not very user friendly. All of the above intended as constructive criticism. I am fully supportive of reform.	Noted. The reference to the website assumed that readers would be looking at the printed edition of the RW, meaning that they could not click on a URL link.
19	Size of the Council	If we removed reference to the size of the council we might stop wasting time talking about it & it might become a non-issue.	<p>In the light of this comment we are looking at ways in which the 'parameter' which currently drives the Council's size (the number of representatives per society member) can be changed in future in a way which does not require a change to the Council's rules.</p> <p>However, the Council is likely to return to this area in any case in future years if it decides to transfer some or all control to its direct membership.</p>
17	Triennial Cycle	I see no benefit from the triennial cycle. It's confusing to outsiders & creates a boxed-in mentality, rather than a continuum of activity. Agree on retirement by rotation but I'd lose the word "triennium" from the vocabulary.	The first draft of the new Rules adopts this approach in full.

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