

Royal Welsh Yacht Club

Minutes of the Management Committee Meeting held online and, in the club,
Wednesday 23rd March 2022.

Members present:

Chris Jones	(CJ)	Commodore
Fiona Jones	(FJ)	Social Secretary
Tom Edge	(TE)	Vice Commodore
Jan Edge	(JE)	Regalia
Malcolm Jones	(MJ)	Committee Member
Jane Crowther	(JC)	Treasurer
Dawn Smith	(DS)	Membership Secretary
Liam Adams	(LA)	Rear Commodore
Frank Smykowski	(FS)	Social Media Secretary
Kate Jones	(KJ)	Committee Member

Apologies for absence

Clive Haycock	(CH)	Committee Member
Mark Rayment	(MR)	Committee Member
Natalia Gomez Escobar	(NGE)	Secretary
Bethan Maejski	(BM)	Sailing Secretary

Graeme's Pay

Living wage has risen to £9.50. Committee asked to agree to raising Graeme's pay to £10 /hr. Proposed by FJ, seconded by LA. Passed.

Discussion on Possible Incorporation of the Club

Commodore

The decision to be made will be historic and therefore should be considered in depth as it should fit for purpose for the Club.

Responses from the membership, already circulated, showed that no-one expressed strong feelings against but a number of issues were raised:

- Ease and cost of transferring assets to a new company.
- What happens to the Trustees.
- Time scale – process should happen in correct order.
- The Club to be registered as a Community Amateur Sports Club (CASC)
- Will the change and extra work be worth it.
- What impact would being incorporated have on recruitment of flag officers and committee members.

These concerns were discussed in no particular order.

FJ reported that since the OCC incorporated, when flag officers became directors, there has been no change or falling off in the numbers of volunteers.

TE said that extra insurance would be required to cover directors liability.

MJ felt it would have a detrimental effect on getting officers to be directors as he had asked a couple of past commodores whether they would have taken the role of director and they said they didn't want the extra responsibility.

What is the difference between the responsibility now and that of directors in an incorporated Club?

DS asked how many directors would be required. Flag officers deal with day to day running of the Club, directors looking after the interests of the Club.

FJ In the OCC the flag officers are the Board of Directors, they and the rest of the committee deal with the running of the Club. There should be no 2 tier system.

CJ At present the Club is all about members and it is our job to run the Club on behalf of the members, ensuring there is a viable Club to hand on.

KJ agreed that there should be a combined Board of directors and committee members, what is the minimum number of directors?

TE suggested the flag officers and secretaries should become directors, 7 or 8 to be a manageable number but we must avoid having a separate set of directors above the flag officers. Directors only convene separately if there is a major decision to be made, otherwise the full management committee convenes in the running of the Club.

FS concerns:

- That the directors should act in best interests/faith of the company
- Some people would not like the added responsibility as the law can be broken by omission, safeguards would be necessary.
- The long term future of the Club – ensure that as a not for profit organisation, it could not be taken over to become profit making, therefore a system of checks and balances was needed.

CJ This was already taken into account in Conflict of Interest and would be dealt with in the Articles with respect to discipline of errant directors.

KJ The Club is a specific type of non profit making organisation, which can't be sold to make profit. This is written into the Constitution.

TE There would be checks and balances in that HMRC and Companies House require us to submit accounts every year, therefore we would have documents to demonstrate that we are not taking profits out. To change the structure would require a Memorandum of Agreement and Byelaws which must be adhered to.

FJ Feels that she has more protection as a Director of OCC, she felt more comfortable and reassured taking decisions for the OCC than as a member of RWYC.

MJ pointed out that if there was a "catastrophic event" resulting in a claim against the Club, it would be the members who will all be liable for paying, should we be seeking a more "robust" insurance policy.

LA advised that if the membership are at present all equally culpable for the risk, we should tell them this and once they are aware of the risk maybe they will feel differently about the present situation.

KJ The cheapest and most secure route to mitigating such risk is to go for incorporation as insurance would cost much more, especially if it is to be “robust”.

JCE felt that incorporation would protect the membership to ensure no member would have to pay for any “catastrophic event” out of their own pocket.

FJ The reason that OCC became incorporated was because it was a cheaper option to finding suitable insurance.

Some discussion ensued over what would happen if we incorporated:

MJ Bank accounts would have to be closed and reopened in the company name.
Standing orders would have to be re-issued which could cause problems.

TE advised that recently the Westerly Owners Association changed bank accounts and asked everyone to pay by standing order. Problems were overcome by informing the membership at monthly intervals until the changeover.

DS pointed out that times change and things can be improved. This could be a good opportunity to tidy things up especially with regard to payment of membership fees by old standing orders, which had not been addressed by certain members.

Straw Poll

After the lengthy discussions, the Commodore proposed a straw poll to identify where the committee members stood on the question of incorporation, and how we should advance this.

DS	At present on the fence, needed more information and suggested a Question and Answer document to make things clearer.
MJ	We need to do something, he feels the way forward is to find insurance to protect everyone in the Club.
TE	Has been a director in the past and sees no problem with being a director. There would be no change to accounting costs except for an extra £50 pa for sending accounts etc to Companies House.
JCE	Is for incorporation for the protection it affords all members.
FJ	We should continue exploring all the implications.

LA	If we continue as at present, he would have to reconsider being a member as he is not prepared to take on the liability risk of not incorporating.
KJ	As a Company Director herself, she would feel happier if the Club were incorporated.
JC	Agreed with Fi, that we should continue exploring all possibilities but feels despite the initial extra work financially for her, we should incorporate.
FS	Feels he has too little knowledge of liability which will cause financial consequences. In general he is for, he pointed out that as a legal entity there are advantages for the Club, eg he could not secure a licence for the raffle because the Club is not a legal entity.

Going Forward

Insurance

We should look into improving liability cover to be 100% watertight. MJ to look into possibilities and costs.

Draft Article of Incorporation

Look at RYA, OCC, Dartmouth documents and come up with a draft for our purposes, covering all aspects including disciplinary action against directors.

TE suggested not to go too far from the RYA model.

Legal Implications

TE to contact RYA legal team to find out what we have to do legally.

Cost

What would be the cost of transferring ownership of the Club from the Trustees to the new Club. A major task would be valuation of the Clubs premises and assets, this has to be carried out by a specialist surveyor.

Directors

Consider who the directors would be, KJ to look at the role of directors.

Community Sports Association

LA to investigate the Club becoming a CASC

Q and A Document

We need to collate all questions with answers as a separate document for the Committee to make their decision, to form an audit trail, eventually to be presented to the membership.

Tax Liability

HMRC has set up the process for Clubs to incorporate, it is very easy to do, but making the right decision for the Club is the hard part.

Date of next meeting:

There will be a brief update as to where we stand at the next management meeting on

Thursday 21st April 2022