

WILTSHIRE ARCHAEOLOGICAL AND NATURAL HISTORY SOCIETY
PAPER EXPLAINING PROPOSED CHANGES TO ARTICLES OF ASSOCIATION

Changes to Articles of Association

The Board of Trustees of the Wiltshire Archaeological and Natural History Society (the Society) agreed earlier this year that the Articles of Association (the Articles) of the Society (Charity number 1080096/Company Limited by Guarantee 3885649), should be revised to take into account changes since they were last updated in 2015. These have been carried out in consultation with a solicitor and advice from the Charity Commission. Final approval from the Charity Commission will be confirmed once members agree the proposed changes. Three main issues have arisen since that date which can only be resolved by changing the Articles:

- The strategic role of the Director post (the senior member of staff employed by the Society to run the Museum and Society)
- recruitment and retention
- encouraging equality and diversity

What is proposed?

It is proposed that the strategic role of the Director be recognised by making the post an *ex-officio* Trustee, and therefore able to play a full role in the responsibilities, deliberations and decision-making of the Board. The post-holder would also be given a direct financial interest in ensuring the long-term sustainability of the Society. This would be through a performance-related bonus scheme which recognises not only financial performance, but also meeting forward plan objectives and development targets. The scheme would be largely self-financing. By giving the Director a tangible stake in the success of the Society, we both recognise the strategic contribution of the role and confirm the importance of continuing to work towards effective recruitment and retention and equality and diversity.

Strategic Role of the Director

The post of Director of the Society was created in 2008 to develop a strategic approach to sustaining and developing the Society. The Board have recognised that the Director plays an active role in developing the strategic direction of the Society, for example, by writing the current Strategic Plan. As a result, the Board understand that the Director has been acting in the capacity of a Company Director as defined in the 2006 Companies Act. The Board now wishes to regularise this position by appointing the Director to the Board of the Society as a Trustee.

Recruitment and Retention

The Board maintain a Risk Register and have identified that succession planning is a significant issue for the future. In recent years it has become clear that heritage organisations face significant problems of recruiting and retaining staff with relevant skills and experience.

- When the post of Director of the Society was created in 2008, two rounds of advertising were required, coupled with an exercise of identifying potential suitable candidates and encouraging them to apply.
- The post of Chief Executive of another County Archaeological Society has seen three changes in the last five years, which has a significant impact on the strategic development of their Society. A recent recruitment process included contacting individuals who may be prepared to consider applying for the post.
- The issue of succession planning has also been faced by other independent Museums, including Salisbury Museum and the Dorset Natural History and Archaeological Society (Dorset Museum). In each case, the Director is now an *ex-officio* Trustee and their compensation package includes a performance-related bonus.

Equality and Diversity

The Society has a strong tradition of equality, having had female members from its foundation in 1853 and prominent female Presidents such as Maud Cunnington and Peggy Guido. The Articles of the Society currently contain terms such as 'Chairman' that do not reflect this tradition, nor modern preferences. The opportunity has, therefore, been taken to update the Articles to remove gender bias, reflecting the Equality, Diversity and Inclusion Policy agreed by the Board. This Policy becomes increasingly important as funders, such as Arts Council England and the National Lottery Heritage Fund, take equality and diversity into account in their assessment of the strength of an organisation and the way in which it reflects the diversity of the area in which it is situated.

The Companies Act to 2006
Company Limited by Guarantee

WILTSHIRE ARCHAEOLOGICAL AND NATURAL HISTORY SOCIETY

SUMMARY OF PROPOSED CHANGES TO EXISTING ARTICLES OF ASSOCIATION

The current articles (adopted 17 October 2015) and a version showing changes can be found at
– www.wiltshiremuseum.org.uk/reports-and-documents/ or posted on request

1. General change – replace Chairman and Deputy Chairman with ‘Chair’ or ‘Deputy Chair’ throughout.

2. **Definitions and Interpretation**

DELETE: ‘Conflicted Trustee’ means a Trustee in respect of whom a conflict of interest arises or may reasonably arise because the Conflicted Trustee or a Connected Person is receiving or stands to receive a benefit (other than payment of a premium for indemnity insurance) from the Society, or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Society;

UPDATED ‘Connected Person’ means, in relation to a Trustee, a person with whom the Trustee shares a common interest such that he/she may reasonably be regarded as benefiting directly or indirectly from any material benefit received by that person, being either a member of the Trustee’s family or household or a person or body who is a business associate of the Trustee, and (for the avoidance of doubt) does not include a company with which the Trustee’s only connection is an interest consisting of no more than 1% of the voting rights;

Trustees

34: Elected Trustees shall be appointed as provided in the Articles. Nominated Trustees shall be appointed as follows:-

[NEW ITEM] Up to 1 the chief executive director of the Society from time to time

[ADDITION] Nominated trustees shall hold office until notice of termination of their appointment is lodged at the office by the relevant institutional organisation [or the Society (in the case of a chief executive director)].

Disqualification and Removal of Trustees

45.6 [NEW CLAUSE] Being a Trustee by virtue of being the chief executive director, ceases to be the chief executive officer.

Trustees’ Appointments

46 [ADDITION TO CLAUSE] Subject to the provisions of the Companies Act, the Trustees may appoint one or more of their number to unremunerated executive office under the Society. Any such appointment may be made upon such terms as the Trustees determine. Any appointment of a Trustee to an [unremunerated] executive office shall terminate if he ceases to be a Trustee.

Benefits and Conflicts

58.2 [ADDITION] as mentioned in Articles 58.1 or 58.3 or [58.4];

~~DELETION OF CLAUSE 58.3 TO 58.6 AND REPLACED WITH~~

58.3 No Trustee may

58.3.1 buy any goods or services from the Society (other than items of merchandise on sale and at the price charged to the general public);

58.3.2 sell goods, services or any interest in land in the Society;

58.3.3 be employed by or receive any remuneration from the Society;

58.3.4 receive any other financial benefit from the Society;

unless

58.3.5 the payment is permitted by sub-article 58.4 of this article and the Trustees follow the procedure and observe the conditions set out in the sub-article 58.5 of this article; or

58.3.6 the Trustees obtain the prior written approval of the Charity Commission and fully comply with any procedures it prescribes;

58.4

58.4.1 a Trustee may receive a benefit from the Society in the capacity of a beneficiary of the Society;

58.4.2 a Trustee may be employed by the Society or enter into a contract for the supply of goods or services to the Society other than for acting as a Trustee;

58.4.3 a Trustee may receive interest on money lent to the Society at a reasonable and proper rate not exceeding 2% per annum below the base rate of a clearing bank to be selected by the Trustees;

58.4.4 a company of which a Trustee is a member may receive fees remuneration or other benefit in money or money's worth provided that the shares of the company are listed on a recognised stock exchange and the Trustee holds no more than 1% of the issued capital of that company;

58.4.5 a Trustee may receive rent for premises let by the Trustees to the Society if the amount of the rent and the other terms of the lease are reasonable and proper.

58.5

58.5.1 The Society and its Trustees may only rely upon the authority provided by subarticle

58.4 if each of the following conditions is satisfied;

(a) the remuneration or other sums paid to the Trustees do not exceed an amount that is reasonable in all the circumstances;

(b) the Trustee is absent from the part of any meeting at which there is discussion of:

(i) his or her employment or remuneration or any matter concerning the contract; or

(ii) his or her performance in the employment or his or her performance of the contract;
or

(iii) any proposal to enter into any other contract or arrangement with him or her or to confer any benefit upon him or her that would be permitted under sub-article 58.4; or

(iv) any other matter relating to a payment or the conferring of any benefit permitted by sub-article 58.4;

(c) the Trustee does not vote on any such matter and is not to be counted when calculating whether a quorum of Trustees is present at the meeting;

- (d) the other Trustees are satisfied that it is in the interests of the Society to employ or to contract with that Trustee rather than with someone who is not a Trustee. In reaching that decision the Trustees must balance the advantage of employing a Trustee against the disadvantages of doing so (especially the loss of the Trustee's service as a result of dealing with the Trustee's conflict of interest);
- (e) the reason for their decision is recorded by the Trustees in the minute book;
- (f) a majority of the Trustees then in office have received no such payments.

58.5.2 The employment or remuneration of a Trustee includes the engagement or remuneration of any firm or company in which the Trustee is:

- (a) a Partner;
- (b) an employee;
- (c) a consultant;
- (d) a director; or
- (e) a shareholder unless the shares of the company are listed on a recognised stock exchange and the Trustee holds less than 1% of the issued capital.

58.6 In sub-articles 58.2 – 58.5 of this article:

58.6.1 "company" shall include any company in which the Society;

- (a) holds more than 50% of the shares; or
- (b) controls more than 50% of the voting rights attached to the shares; or
- (c) has the right to appoint one or more directors to the Board of the company.

58.6.2 "Trustee" shall include any child, parent, grandchild, grandparent, brother, sister or spouse of the Trustee or any person living with the Trustee as his or her partner.