

## **Proposed Change of Legal Status and Operating Structure for CIGRE UK**

### **Background to this proposal**

CIGRE UK is currently an unincorporated members organisation with no specific legal status. Its membership and activities have significantly increased over recent years and there is now a need to revisit this position. Over recent years many similar organisations and membership associations have decided to change their status to provide protection to their members and other operating benefits such as the ability to take out insurance, enter into contracts for rental of meeting spaces etc. We have also been asked by the collective member organisations to be able to invoice and collect membership fees in a more professional 'standard' business manner.

The current Executive Committee of CIGRE UK decided earlier this year to seek legal advice around such a potential change, and the outcome of this advice is that the recommendation is to change to become a Company Limited by Guarantee, or CLG for short. The Executive Committee have reviewed the legal advice in detail as well as investigated how this might change our financial position and reporting requirements. The unanimous conclusion is that we are recommending to the wider CIGRE UK membership that we make this change over the next few months.

### **What this means for CIGRE UK and our members**

The short answer to this, is that there is very little impact to our members, other than to obtain all of the benefits that come from being a CLG. A CLG provides legal protection to the officers of CIGRE UK and to the wider membership should something unforeseen happen. There would be no change to our membership structure, although we would need to set aside a small sum of money every year for submitting accounts and some other requirements when operating as a legal entity. The constitution and governance arrangements would also need to be updated to reflect such a change.

In parallel to this proposed change of legal status the Executive Committee has been considering how we should manage the day-to-day activities of CIGRE UK and how we might simplify and streamline some of the administrative activities to allow us to focus on our core purpose of sharing technical knowledge for the benefit of our members. Set out below is the proposed change to the operating structure which would support becoming a CLG and so aligns well to this proposed parallel change.

Importantly CIGRE UK would retain its 'not-for-profit' status and continue in its vision as 'the leading, most innovative global community for the sharing and development of electric power system expertise'.

Further, specialist tax advice has been taken from accountants Francis Clark confirming that the incorporated entity's tax liabilities will not change, however there will be the need for annual filings with HMRC and Companies House. Note, that currently CIGRE UK already files VAT returns with HMRC.

## Proposed change to the CIGRE UK Operating Structure

### Why the need for change

- CIGRE UK and the Executive Committee has evolved over the last 10 years, moving from two Executive Committee meetings per year to four and having much more interaction with Central Office and our UK membership (the 'National Committee').
- In addition, the expectations of the membership have changed, with a need for a more responsive organisation that can meet the needs of the members and provide technical knowledge in an ever more rapidly changing power system sector.
- It is therefore proposed that to get best value from the time of the current Executive Committee members that we should manage many administrative aspects of CIGRE UK with a smaller core team of the elected officers. This Management Team would operate within the bounds of the constitution and rules set by a current Executive Committee which would then be renamed as the Steering Committee.
- This would free up time in the new Steering Committee meetings for more discussion and debate on how to fulfil the core purpose of CIGRE UK, namely the sharing and dissemination of technical knowledge for the benefit of society and our members.
- Such an approach has been adopted by other National Committees and is often used by Local Government in the UK and permits efficiency while still maintaining accountability.
- The creation of a Management Team would be formalising something that has existed informally for many years whereby items are discussed outside of the executive committee.

### Proposed Structure and Operation of the Management Team

- The core Management Team would be CIGRE UK Chair, Vice Chair, Secretary, Finance Committee Chair and TC chair. The core Management Team would become Company Directors in the CLG with the associated responsibilities. Other members of the executive committee would be invited to Management Team meetings as required to input to discussions and support the Management Team decisions.
- Management Team meetings would be convened throughout the year as required.
- The Executive Committee meetings would continue as at present, renamed as the Steering Committee and spending more time fulfilling the primary purpose of CIGRE UK. Frequency of these meetings will be as agreed (this is currently four meetings per year).
- The Management Team would operate in accordance with the constitution of the National Committee and the rules set by the Steering Committee.

### What won't change?

- Level of support for membership from the secretary, working groups and Executive Committee
- Accountability to membership and to the Steering Committee
- Visibility of decisions, activities and membership initiatives.
- CIGRE UK technical activities and knowledge sharing

### Advantages and Disadvantages of this change

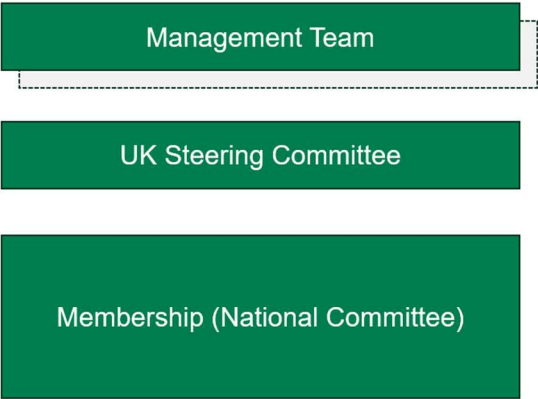
Pros	Cons
<ul style="list-style-type: none"> <li>• Supports implementation of revised legal structure for CIGRE UK.</li> <li>• Permits Steering Committee to focus on the core purpose of CIGRE UK</li> <li>• Provides more time for technical initiatives</li> <li>• More efficient and responsive for members</li> <li>• Faster decision making</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Committee less involved in day to day running of CIGRE UK</li> <li>• Some members may feel less engaged in the way CIGRE UK is run</li> <li>• Additional approvals required for key decisions at Executive Committee</li> </ul>

- Formalising something that informally exists

**Proposed operation of the new Management Team - accountability and transparency**

- Accountable to Steering Committee
- Would work within bounds of CIGRE UK constitution and the bounds agreed by the Steering Committee. For example, Management Team would develop and propose budget to be discussed and agreed by Steering Committee. Any proposed significant proposals would be brought back to the Steering Committee to discuss and ratify.
- Where the Management Team intended to discuss activities of a sub-group/ working group then a representative of that group would be invited to join a management team meeting.

**Proposed New Operating Structure**



Notes:

- Accountable to full membership
- Would fulfil legal requirements if change legal status
- Day-to-day running of CIGRE UK
  
- Renamed Exec. Committee
- Operates in similar manner to present but focused on core purpose of CIGRE UK and less on administration
  
- As at present, constituted of individual and collective memberships