

# **sedos**

## A structure for the 21<sup>st</sup> Century

# Background

- Sedos was established in 1905
- By the early 2000's, Sedos was on its uppers and had very little left in the way of assets and members
- Sedos was re-established as a Charitable Association in 2003, in preparation for its centennial re-launch in 2005.
- When Sedos became a charity, its operating procedures and structure were set-up as informally as practically with a single management group. Sedos was performing 3 or 4 shows a year, had no permanent home or relationship with a theatre and had virtually no assets.
- In the past 10 years or so, Sedos has grown into a flourishing society with over 200 members, performing 8-10 shows a year, with its own rehearsal/build space and a permanent relationship with a theatre – and with significant financial assets.
- The proposal is to put in place a new formal structure that reflects the current position that Sedos enjoys. The proposal is to create a structure that works for Sedos in practice, reflects current legal “best practice”, law and regulation and has a greater focus on the long-term health of the Charity.

# Background on Charities

- Currently, Sedos is a charitable “unincorporated association”.
- This means that the Trustees (the members of the Committee) have unlimited liability for the Society’s actions.
- It is usual for charities that have a significant amount of funds to be incorporated (ie to have a legal standing)
- There are four forms that a charity may take:
  - Trust (generally used where only purpose is looking after funds and making grants)
  - Unincorporated association (for fairly “informal” charities, without significant assets)
  - Company Limited by Guarantee
  - Charitable Incorporated Organisation (two types, one where the trustees are the members and the organisation self perpetuates, the other where the trustees run on behalf of members)

# Charitable Incorporated Organisation v Company Limited by Guarantee

- Historically, the usual way of creating a charitable organisation with limited liability for Trustees was to set up a “company limited by guarantee” and have this apply for charitable status.
- *“By Guarantee” means that effectively the Trustees are also the Shareholders. Effectively the Trustees’ liability is limited to a nominal amount.*
- **However**, Charities that are Companies Limited by Guarantee have to comply with **both** companies legislation and charity legislation which create administrative complexity.
- A Charitable Incorporated Organisation (CIO) is a relatively new form of status promoted by the Government to address the administrative complexity issues. A CIO provides legal protection to the members/trustees so there is no liability AND there is no requirement to register with Companies House

RECOMMENDATION: *Seek Charitable Incorporation Organisation (CIO) Status*

# Process

- A new CIO is created
- The Constitution of the new CIO is approved by the Charities Commission (currently awaiting approval). The new Constitution is based on the published standard form of Constitution for a Charitable Incorporated Organisation With Voting Members Other Than Its Charity Trustees.
- Once the new CIO is created, the current Members of Sedos vote to transfer all of the assets of the “current” Sedos to the new CIO
- The “old” Sedos would then effectively cease to exist
- To transfer:
  - Bridewell arrangement transferred across
  - BHG lease transferred across
  - Bank accounts transferred across
  - Memberships transferred across (and possibly new direct debits – TBA)
  - Invested funds transferred across
  - The name!

# Operational Drivers

- Sedos currently operates a “hybrid” model where we have one management board which combines both the executive responsibilities of running the day-to-day business of the society and the trustee responsibilities
- The “committee” can get bogged down in the day-day operational running of the society, which means that it doesn't always have time to focus on the long-term health and security of the society
- Given Sedos' size and our assets, best practice would suggest that we should have two distinct bodies to run the Charity: a Board of Trustees and a separate Management Committee

# Proposed New Operating Structure

- Members
  - No age restriction (NB, age restrictions can still be placed on performing in shows)
  - Required to pay a membership fee (amount set from time to time)
- Trustees
  - Up to 9
  - 6 elected by the Members
  - The Chair of the Management Committee
  - 2 additionally may be co-opted to ensure a broad range of experience
  - The Trustees appoint from their number:
    - Chair
    - Trustee with financial responsibility
- Management Committee (Set up by Terms of Reference from the Trustees)
  - 10 -13
- Operating Groups
  - Marketing Group
  - Membership Group
  - Production Group
  - *Other groups to be developed as required*

# What this will deliver

- Long term health of the Society
  - A body of Trustees who are one-step removed from the day-to-day running of the charity who are responsible for the long-term interests of the charity.
- A body focussed on governance and legal responsibilities
  - Avoid getting bogged-down in the detail of running the Charity on a day-to-day basis
- Continuity of leadership (the current constitution works entirely on a year-to-year basis which is not conducive for long-term decision making)
- An appropriate legal form for a charity with assets of approx. £0.5M
- More individuals involved with the active running of the Charity –
  - A Management Committee for those who want day-to-day involvement
  - A Board of Trustees for those who wish to focus on the long-term
- To ensure that the Trustees and the members of the Management Committee continue to have a democratic mandate so that the ethos of Sedos as a Members' society remains



# Trustee “V” Management Team

## What is the role of a trustee? \*

- Being a trustee is like a non-executive director of a company. A trustee's role is to provide checks, balances & oversight of the organisation's performance, ethics, finances & risks.
- Trustees ensure that the charity complies with charity law, is well-run, in good financial shape & delivering its charitable objectives to the best of its ability.
- Trustees support & challenge the **management team** on strategy and major decision-making so they can deliver the charity's activities effectively.
- A trustee shouldn't interfere in the day-to-day operations but, from time to time, particularly in really small charities, you may well be more involved.

*\* Definition provided by Getting on Board*

# Trustees' core Responsibilities

- Long-term financial health of Charity
- Ensuring performance, rehearsal and build space
- Compliance with laws/regulations
- Management of Charity's investment portfolio
- Financial reporting obligations (*NB, finance director as a member of the Management Committee to be responsible on day to day basis*)
- Overall responsibility for the Charity, but delegates the operation of the Charity to the Management Committee under formal **Terms of Reference**.

# Management Committee

*(Summary Terms of Reference)*

- Day-to-day running of the Charity:
  - Artistic Policy / Choosing of the season
  - Producing the productions
  - Maintaining artistic standards
  - Administration of Marketing/production/membership activities (and promoting and supporting groups to further these activities)
  - Setting of production budgets & day-to-day financial management of the Charity
  - Management Committee to have an annual budget within which it has flexibility to operate
- 10 Members (but maybe increased on an ad-hoc basis)
- Elected by the Members (but may co-opt)
- Two year term (50% of Members up for election each year)
- Clearly defined roles / responsibilities as set out below

# Management Committee Roles / Responsibilities

*Note: a Management Committee Member may perform more than one of these roles*

*Roles and holders of those roles to be set out on the website*

- Chair
- Finance Director
- Administration Director
- Production Budget Controller
- Committee Member responsible for the Production Group
- Committee Member responsible for the Marketing Group
- Committee Member responsible for the Membership Group
- Committee Member responsible for Show Liaison
- Committee Member responsible for Bridewell Liaison
- Committee Member responsible for BHG
- Committee Member responsible for Audiences
- Committee Member responsible for IT & Systems

# Sedos Groups

- Responsible for specific areas set out in an agreed Terms of Reference
- Responsible to the Management Committee
- A committee member responsible for each group
  - Production Group
  - Marketing Group
  - Membership Group

# Production Group – Summary Terms of Reference & Responsibilities

- Producers Handbook
- Supporting new producers
- Liaison with Bridewell on a production basis
- Supplier negotiation / database
- Database for production team roles
- Rehearsal room booking and hire
- Build space tidy
- Asset Management (including hire) *[maybe broken out from production group]*
  - Costumes
  - Props
  - AV
  - Set

# Marketing Group Summary Terms of Reference

## responsibilities

- External communications – maintaining profile and promoting society
- Website & Newsletter
- Internal marketing to members
- Understanding our audience / audience surveys
- Online Box-Office
- Ticket sales updates
- Brand guidelines for promotional materials
- Assistance with show marketing (noting that specific show marketing is an individual show responsibility)
- Linking to membership group for joined up membership journey
- Relationships with other societies
- Relationship with NODA
- Managing Press & PR

# Membership Group – Summary Terms of Reference and responsibilities

- Engaging with new members and making them feel welcome
- Membership offering – including ongoing involvement and belonging in the society, regardless of whether currently in a show
- Social Events (inc Christmas party and regular monthly events)
- Member feedback
- Member workshops
- Member benefits
  - Sedance
  - Simprov
  - Sechoir